

**CABINET**  
**21<sup>st</sup> January 2015**  
**Public Questions/Statements**

**1. Question One**

**Mr Jon Kean of Pennerley will ask the following of Mr Malcolm Price, the Portfolio Holder for Planning, Housing and Commissioning (Central):**

I would like to know why Shropshire Council, a Conservative Council is considering ignoring a directive from a Conservative Chancellor to abolish AHL and CIL for small developments when even Herefordshire has agreed to comply?

Will failing to adopt this policy lead to costly appeals that will ultimately waste more tax payer's money that the levies would raise? Will it not also, lead to many small developments becoming unviable? In particular small houses attract the same levies and yet it is smaller houses we need so that our young people can stay in the county. Too many of my contemporaries travel thousands of miles each year to see children who have moved away as there are no 2/3 bedroomed houses available to start families.

**The Portfolio Holder, Mr Malcolm Price, will respond as follows:**

Shropshire Council is to consider its response to the Ministerial Statement in an exempt report to this Cabinet (21st January). The report is exempt because of the financial implications the Ministerial Statement could have in respect of Shropshire Councils policy to deliver affordable housing articulated through its' adopted Core Strategy Policy and supplementary planning policy. Our policy had been written to reflect and respond to the specific housing need in Shropshire. It incorporates a dynamic viability assessment reflecting variable market conditions across the county and is subject to annual review in any event.

The Ministerial statement is clearly a material consideration that now needs to be taken into account in planning decisions. The question will be what weight is given to this statement and what weight is given to the Councils adopted policy.

Affordable Housing Contributions and CIL are calculated on floor space created in Shropshire so smaller properties would contribute less in any event. CIL is not chargeable on proposals for affordable housing in Shropshire in any event"

**2. Question Two**

**Mr David Cooper of Bridgnorth will ask the following of Mr Mike Owen, the Portfolio Holder for Resources, Finance and Support:**

1. At the Cabinet meeting on 10/12/2014 Cabinet approved the recommendation in respect of Agenda item 8 (Financial Strategy 2015/16 to 2016/17) "That the progress made in achieving the agreed savings be noted and the amendments and alternative savings identified within the Business Plan and Financial Strategy be agreed." The Council's consultation document on its draft budget for 2015/16 includes on Page 25 an item "Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop" with a saving for 2015/16 of £2.987m. This figure is reduced from the one given for the same item on page 50 of the report presented to Cabinet, and approved, on 10/12/2014 - it has gone down by £0.511m, equivalent to the amount it is proposed to take off Town and Parish Councils through the withdrawal of Council Tax Support Grant.

When was this change agreed, and how?

2. At the Cabinet meeting on 10/12/2015 Cabinet considered a report as Agenda item 11 "Setting the Council Tax Taxbase for 2015/16" and agreed the recommendations, which were subsequently agreed by Council. On page 7 of the report under the heading "Collection Rate" there is a statement 9.4 that "If the actual rate exceeds 98.0% a surplus is generated, which is shared between the Unitary Council, West Mercia Police & Crime Commissioner and Shropshire & Wrekin Fire Authority, pro rata to their demand on the Collection Fund for the relevant year. Conversely, any shortfall in the collection rate results in a deficit, which is shared in a similar manner. The surplus or deficit is taken into account in setting the Council Tax in the following year."

Could you explain why surpluses or deficits are not shared with Town and Parish Councils, which are also precepting bodies, and what has happened to their proportionate share of previous years' surpluses?

**The Portfolio Holder will respond as follows:**

1. The Business Plan was refreshed in December 2014 to reflect the latest position on delivery of our savings proposals. Where our proposals changed this was reflected within the refresh. The delivery of the Resources and Support savings proposals have been reviewed as part of this process and a number of unachievable proposals replaced by alternatives. One of these was to consider the removal of Council Tax Support Grant to Town and Parish Councils. To aid the budget consultation process, this has been identified as a separate line within the consultation, albeit it still falls within the same heading within the Business Plan. The decision to make this amendment was specifically identified with the report to Cabinet 10 December 2014 (Recommendation C: Agree to remove any allocation of council tax support grant to Town and Parish Councils for 2015/16 and future year's council tax reduction scheme.)
2. There is no statutory mechanism to distribute collection fund surpluses or deficits amongst local preceptors. The Legislation is clear about the mechanism for distribution amongst major precepting authorities which for Shropshire Council is limited to West Mercia Police and Shropshire and Wrekin Fire and Rescue Authority. The mechanism for distribution of and liability for surpluses and deficits is prescribed in the Local Authorities (Funds) (England) Regulations 1992 and states under the apportionment of and liability for surpluses and deficits, "to be shared, or borne between, that authority and its relevant major precepting authorities"  
A link to the regulation is attached below,  
<http://www.legislation.gov.uk/uksi/1992/2428/introduction/made>

The collection rates across the population are expected to be more variable since the introduction of the Local Council Tax Reduction scheme. The risk of reduced collection rates is borne by the major precepting authorities potentially in the form of collection fund deficits.

Town and Parish Councils do not bear this risk and instead receive their precept at the value they request.

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