



Shropshire Council  
Legal and Democratic Services  
Shirehall  
Abbey Foregate  
Shrewsbury  
SY2 6ND

Date: Tuesday, 14 November 2023

**Committee: Cabinet**

**Date: Wednesday, 22 November 2023**

**Time: 10.30 am**

**Venue: Council Chamber, Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND**

You are requested to attend the above meeting. The Agenda is attached

There will be some access to the meeting room for members of the press and public, but this will be limited. If you wish to attend the meeting please email [democracy@shropshire.gov.uk](mailto:democracy@shropshire.gov.uk) to check that a seat will be available for you.

Please click [here](#) to view the livestream of the meeting on the date and time stated on the agenda

The recording of the event will also be made available shortly after the meeting on the Shropshire Council Youtube Channel [Here](#)

Tim Collard Assistant Director - Legal and Governance

**Members of Cabinet**

Lezley Picton (Leader)

Cecilia Motley

Ian Nellins

Robert Macey

Gwilym Butler

Dean Carroll

Kirstie Hurst-Knight

Mark Jones

Dan Morris

Chris Schofield

Your Committee Officer is:

**Ashley Kendrick** Democratic Services Officer

Tel: 01743 250893

Email: [Ashley.kendrick@shropshire.gov.uk](mailto:Ashley.kendrick@shropshire.gov.uk)

# AGENDA

## **1 Apologies for Absence**

## **2 Disclosable Interests**

Members are reminded that they must declare their disclosable pecuniary interests and other registrable or non-registrable interests in any matter being considered at the meeting as set out in Appendix B of the Members' Code of Conduct and consider if they should leave the room prior to the item being considered. Further advice can be sought from the Monitoring Officer in advance of the meeting.

## **3 Minutes (Pages 1 - 10)**

To confirm the minutes of the meeting held on 18 October 2023.

## **4 Public Question Time**

To receive any questions from members of the public, notice of which has been given in accordance with Procedure Rule 14. Deadline for notification is not later than 5.00 pm on Thursday 16 November 2023.

## **5 Member Question Time**

To receive any questions from Members of the Council. Deadline for notification is not later than 5.00 pm on Thursday 16 November 2023.

## **6 Scrutiny Items**

## **7 Annual H&S Performance Report 2022/23 (Pages 11 - 28)**

Lead Member – Councillor Gwilym Butler – Portfolio Holder for Finance and Corporate Resources

Report of Carol Fox, Health & Safety Manager

## **8 Financial Monitoring 2023/24 Quarter 2 (Pages 29 - 76)**

Lead Member – Councillor Gwilym Butler – Portfolio Holder for Finance and Corporate Resources

Report of Ben Jay, Assistant Director of Finance & ICT (Deputy s151 Officer)

## **9 Treasury Management Update Quarter 2 2023/24 (Pages 77 - 100)**

Lead member – Councillor Gwilym Butler - Portfolio Holder for Finance and Corporate Resources

Report of Ben Jay, Assistant Director of Finance & ICT (Deputy s151 Officer)

**10 Performance Monitoring Report Quarter 2 2023/24** (Pages 101 - 106)

Lead Member – Councillor Rob Macey – Portfolio Holder for Culture and Digital

Report of James Walton, Executive Director of Resources

**11 Shropshire Towns and Rural Housing: Performance Update** (Pages 107 - 132)

Lead Member – Councillor Dean Carroll – Portfolio Holder for Housing and Assets

Report of Lucy Heath, Clienting and Commissioning Manager (Housing)

**12 SAND Covenant Proposal** (Pages 133 - 162)

Lead Member – Councillor Lezley Picton – Leader and Portfolio Holder for Policy, Strategy, Improvement and Communications.

Report of Sam Williams, Assistant Director – Workforce and Improvement

**13 Ombudsman Complaint Handling Code** (Pages 163 - 210)

Lead Member – Councillor Rob Macey – Portfolio Holder for Culture and Digital

Report of Sarah Dodds, Feedback and Insight Team Leader

**14 Date of Next Meeting**

To note that the next meeting is scheduled to take place on Wednesday 13 December 2023.

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## Committee and Date

Cabinet

Wednesday 22 November 2023

## **CABINET**

**Minutes of the meeting held on 18 October 2023**

**In the Council Chamber, Shirehall, Shrewsbury, SY2 6ND**

**10.30AM**

**Responsible Officer:** Ashley Kendrick

Email: [Ashley.kendrick@shropshire.gov.uk](mailto:Ashley.kendrick@shropshire.gov.uk)

Tel: 01743 250893

## **Present**

Councillor Lezley Picton (Chairman)

Councillors Cecilia Motley, Ian Nellins, Robert Macey, Gwilym Butler, Dean Carroll,

Kirstie Hurst-Knight, Mark Jones and Chris Schofield

## **46 Apologies for Absence**

Apologies were received from Councillor Dan Morris, Andy Begley – Chief Executive, and Mark Barrow – Executive Director of Place. Councillor Julian Dean would be joining remotely.

## **47 Disclosable Interests**

Councillor Lezley Picton declared an interest in item 12 and confirmed that she would leave the room and take no part in the debate.

## **48 Minutes**

## **RESOLVED:**

That the minutes of the meeting held on 6 September 2023 were confirmed as a correct record.

## **49 Public Question Time**

There were no public questions.

## **50 Member Question Time**

Members' questions had been received from the following:

Councillor Rosemary Dartnall, with regards to secondary school place allocation. A response was provided by the Portfolio Holder for Children and Education, who, alongside officers, was thanked for working with schools to ensure there was enough school places.

Councillor Julia Buckley, in relation to training of Cabinet members. By way of a supplementary question, Councillor Buckley questioned when the written response would

be provided. The Portfolio Holder for Finance and Corporate Resources advised that a written response would be forthcoming in due course.

Councillor Pam Moseley, in relation to floating housing support. In response to a supplementary question, the Portfolio Holder for Housing and Assets confirmed that the new provider would be offering the same level of service and that the referral threshold would be provided in writing.

Councillor Rob Wilson, in relation to the installation of telegraph poles for broadband of Kingswood Estate in Cophorne. By way of a supplementary question, Councillor Wilson requested a round the table discussion with the broadband provider as it was felt that consultation had not been carried out with residents. The Portfolio Holder for Culture and Digital confirmed that the Council were already engaging with the provider.

Councillor Kate Halliday, in relation to Blue Badges, which was asked by Councillor Julia Buckley in her absence. Councillor Buckley expressed her disappointment that the questions had not been answered. By way of a supplementary question, she asked whether reminders were being issued and whether the process could be automated. The Portfolio advised that a written response would be provided after the meeting.

The questions asked and written responses are available from the web page for the meeting [Agenda for Cabinet on Wednesday, 18th October, 2023, 10.30 am — Shropshire Council](#)

## **51 Scrutiny Items**

There were no scrutiny items.

## **52 Financial Strategy 2024/25 - 2028/29**

The Portfolio Holder for Finance and Corporate Resources presented the report and advised members that the Council's Mid Term Financial Strategy (MTFS) had been updated to reflect anticipated inflation and other budget pressures that have superseded previous projections. Initial calculations increase the estimated budget gap next year to £23.6m, which is a combination of pay and price inflation and challenges in delivery of both base budgets and spending reduction plans and is adding to the previously identified gap in 2024/25.

Members were advised of the innovative ways of working being used to address pressures within children, adults social care and public health; however the timing and benefits of these were not yet known with sufficient confidence to be included in this update, so will be included in the December MTFS update, at which point clearer estimates of overall demand and the impact of mitigations will be available.

Concerns were expressed with regards to the lack of detail contained within the report and that it was felt there was a lack of transparency as changes in service provision had not been consulted on. It was confirmed that operational changes do not need to be reported to Cabinet; however more reports than were necessary were brought forward to ensure openness and transparency.

## RESOLVED:

That Cabinet

- a) Noted the increased gap in 2024/25 and the reasons for it
- b) Noted that further information will be forthcoming on how the Council will meet the needs of social care clients and service users earlier in future, and supports Officers in the urgent preparation of effective plans
- c) Similarly, noted that further information on TOM proposals will also be forthcoming and urges Officers to bring those plans forward for implementation and delivery rapidly.
- d) Noted that the reserves position, previously a cause for considerable concern, is much improved – but also notes that action on current year pressures is needed to safeguard that improved position (including sufficient mitigation of current demand pressures through the remainder of this year and into future years).
- e) Noted that, despite some deterioration in outlook in the near-term, the MTFS continue to demonstrate that the outlook is expected to improve substantially in the coming years.
- f) Noted the changes to some of the savings plans (virements) set out in the March 2023 Budget Council meeting have seen changes at values in excess of £1m, and so Member approval is requested to confirm these changes (see attachment to Appendix 1, specifically savings EFF102 (TOM projects @ -£3m), EFF105 (GLR-led savings @ +£1m) and EFF108 (Corporate Grants @ +£2m). 2024/25 2025/26 2026/27 2027/28 2028/29 £ £ £ £ £ Remaining Gap to be Funded @ March Council 1,096,536 2,166,643 2,819,557 3,714,543 NA change - inflation and budget pressures 22,470,200 18,800,248 15,512,067 12,225,150 5,222,191 Remaining Gap to be Funded @ October Cabinet 23,566,736 20,966,891 18,331,624 15,939,693 5,222,191 Funding Gap 3

Also Cabinet noted the removal of EFF10 (Market management @ -£1.3m) and the replacement with over-achievement of EFF06 (Reablement) and EFF07 (care at home).

## 53 Annual Treasury Report 2022/23

The Portfolio Holder for Finance and Corporate Resources presented the report which provided details of the outturn position for treasury activities and highlighted compliance with the Council's policies previously approved by members.

Members noted that during 2022/23, the Council stayed within all required indicators for managing its financing arrangements, including day to day cashflow, short term investments and longer term borrowings. Additional income of £2.5m was secured.

## RESOLVED:

That Cabinet recommend to Council to:

1. Approve the actual 2022/23 prudential and treasury indicators in this report
2. Note the annual treasury management report for 2022/23

#### **54 Affordable Warmth Strategy**

The Portfolio Holder for Housing and Assets presented the report which explained that the proposed Sustainable Affordable Warmth Strategy, which has completed an eight-week public consultation period, seeks to tackle fuel poverty; this being when households must spend a high proportion of their income to keep their home at a reasonable temperature; and tackle climate change, through reducing carbon emissions from residential dwellings.

Members welcomed the report and congratulated officers for the work carried out. It was noted that the main constraint in tackling fuel poverty and reducing carbon emissions was capacity and expertise.

#### **RESOLVED:**

To approve and adopt the Sustainable Affordable Warmth Strategy, attached at Appendix I.

#### **55 Amended Cleobury Mortimer Neighbourhood Development Plan - for referendum**

The Portfolio Holder for Planning and Regulatory Services introduced the report which sought Cabinet approval to proceed to local referendum on the Cleobury Mortimer Neighbourhood Development Plan.

#### **RESOLVED:**

That Cabinet agreed:

1. The Cleobury Mortimer Neighbourhood Plan meets the 'Basic Conditions' and all the other legal requirements as summarised in the Independent Examiner's Report, subject to the modifications proposed in the Schedule of Modifications (Appendix 2)
2. The required modifications be agreed, and that the final 'referendum' version of the Cleobury Mortimer Neighbourhood Development Plan (September 2023) (Appendix 3) proceed to local referendum.
3. The referendum area be that as defined as the designated area to which the Neighbourhood Development Plan relates, i.e. the Cleobury Mortimer Town Council boundary.
4. The Executive Director of Place be authorised to exercise all the relevant powers and duties and undertake necessary arrangements for the Cleobury Mortimer Neighbourhood Development Plan final referendum version (September 2023) (Appendix 3) to now proceed to referendum and for the referendum to take place

asking the question 'whether the voter wants Shropshire Council to use this neighbourhood plan for the Cleobury Mortimer neighbourhood plan area to help it decide planning applications in this neighbourhood area'.

## **56 Management Options for Shropshire Council Operated Leisure Facilities**

The Portfolio Holder for Culture and Digital introduced the report which recommended transferring the management of SpArC Leisure Centre in Bishop's Castle to the Shropshire Community Leisure Trust, under their existing contract.

Members felt that this was a success story; demonstrating how community groups and the council can work together. Thanks were given to the Trustees, and it was acknowledged that this would protect the long running security of SpArC to enable it to grow and flourish.

### **RESOLVED:**

1. To approve the transfer of the operation of SpArC Leisure Centre in Bishop's Castle to the Shropshire Community Leisure Trust, as part of the existing leisure contract, until 31 July 2027.
2. To delegate responsibility to the Executive Director of Place, in consultation with the Leader and the Portfolio Holder for Digital and Culture, for undertaking necessary due diligence and thereafter finalising negotiations and completing the transfer to the current leisure management contract with Shropshire Community Leisure Trust.

## **57 Shrewsbury Town Centre Redevelopment Programme: Phase One**

After declaring an interest, the Chair left the meeting and took no part in the discussion or the vote. The Vice Chair, Councillor Ian Nellins, took the Chair for this item.

The Deputy Leader and Portfolio Holder for Climate Change, Environment and Transport presented the report which sought approval to consult on the emerging masterplan and submit an initial planning application to demolish the former Riverside shopping centre and construct parkland and meanwhile greenspace, amended to align to the LUF2 Grant award.

Members were advised that it was proposed to commence stakeholder engagement and public consultation on the emerging masterplan, including the quantum, mix, and location of future development sites. It will also consider the sequence and phasing of activities, and implications for the planning strategy, with reference to the scope of works to be delivered by the LUF2 grant award and the associated, initial planning application referred to above. The engagement and consultation process will be delivered over a 4-week period, concluding late November 2023, from which the outcomes will inform the final masterplan, for consideration at future Cabinet and Council meetings.

Members questioned the plans surrounding the bus station and the Premier Inn, and how the consultation would capture the voice of young people. Members were advised that the bus station was a longer term project but it had been deemed essential that it remains

within the town centre. With regards to consultation, the team had been working with Age UK and had been pushed out to local schools. Members urged the consultation to be pushed out into the wider area.

It was noted that the Movement Strategy which would inform the project had been delayed, but this would be brought forward to a future Cabinet meeting.

**RESOLVED:**

3.1. That Cabinet:

3.1.1. Approved the submission of a planning application for the demolition of the Riverside shopping centre and the former Riverside medical practice, and enabling work, construction of the proposed park and temporary greenspace (as set out in the Council report 6 July 2023), all aligned to the Levelling Up Fund bid award for the Smithfield Riverside Redevelopment Programme (Project 1) of £14.85m.

3.1.2. Agreed to commencement of the stakeholder engagement and public consultation programme on the emerging masterplan for Smithfield Riverside.

3.2. Delegated responsibility to the Executive Director of Place, in consultation with the Section 151 Officer and the Portfolio Holders for Climate Change, Environment and Transport, Economic Growth and Regeneration and Housing and Assets, to progress the capital project (item 3.2.1 above), to include, but not limited to, the following:

3.2.1. Finalise the masterplan for the wider Smithfield Riverside redevelopment area following the outcomes of the stakeholder engagement and public consultation programme, as provided for in Recommendation 3.1.2 above, and for inclusion in a further report for final approval by Council.

3.2.2. Finalise planning strategy for future phases of development for the Shrewsbury Town Centre Redevelopment Programme: Smithfield Riverside Phase One, following the outcomes of the stakeholder engagement and public consultation programme, as provided for in Recommendation 3.1.2 above, and for inclusion in a further report for final approval by Council

3.2.3. Undertake an options and feasibility study for the retention, reconstruction and/or replacement of Ravens Meadow multi-storey car park, necessary to inform future phases of the Smithfield Riverside masterplan, and for inclusion in a further report for final approval by Cabinet and Council.

3.3. That Cabinet agreed to recommend to Council to:

3.3.1. Progress the above works as a capital project to completion of contract documentation and receipt of tenders, for demolition, enabling works and construction of the park and associated temporary greenspace within the

Levelling Up Fund bid award for the Smithfield Riverside Redevelopment Programme (Project 1) of £14.85m.

**58 Public Space Protection Order, Dog Constraints**

The Leader returned to the meeting and took the Chair.

The Portfolio Holder for Children and Education, on behalf of the Portfolio Holder for Highways, introduced the report which sought Cabinet approval to consult on a Public Space Protection Order for Shropshire to control dog fouling and to help control the risk of harm from stray dogs. The eight-week consultation exercise would commence on 21 October if approved.

Members welcomed the report but concern was raised that there were a lack of bins in certain areas. It was acknowledged that this was not just an issue in urban areas and that fines would act as a deterrent.

Members were asked to encourage as many people as possible to take part in the consultation.

**RESOLVED:**

1. That Cabinet approved an eight-week consultation exercise to introduce a Public Space Protection Order for the administrative area of Shropshire Council. Details and purpose of the PSPO are contained in Appendix A and consultation materials in Appendix B.
2. Following the conclusion of the consultation a further report will be presented to Cabinet for final approval of the PSPO and relevant publicity materials.

**59 Joint Committee - Marches Local Enterprise Partnership (LEP)**

The Leader and Portfolio Holder for Policy and Strategy, Improvement and Communications presented the report which proposed the establishment of a joint committee between Shropshire Council, Herefordshire Council and Telford & Wrekin Council to continue developing and delivering investment propositions for Government and partners following government guidance and to transfer resources, assets and responsibilities to the local authority partners before the 31st March 2024.

**RESOLVED:**

That Cabinet agreed to:

1. Establish a Joint Committee with Herefordshire Council and Telford & Wrekin Council to (a) oversee, manage and distribute the assets, functions and responsibilities of the Marches Enterprise Partnership and (b) exercise executive functions as listed in paragraph 7.9 below.
2. Delegate to the Executive Director Place in consultation with the Executive Director Resources, authority to make necessary arrangements, as the accountable body,

for the management of resources, staff and responsibilities of the LEP in accordance with Government guidelines.

3. Delegate authority to the Executive Director Resources and Executive Director Place, in consultation with the Leader of the Council, to establish appropriate management arrangements, including funding and staffing for the Council to discharge its responsibility as the 'Accountable Body'.
4. Delegate to the Executive Director Place, in consultation with the Leader of the Council and Executive Director of Resources (Section 151 Officer), authority to agree the final Terms of Reference with partner councils.

## **60 Shropshire Council's Response to Government Consultation on Plan - Making Reforms**

The Portfolio Holder for Planning and Regulatory Services presented the report which highlighted that the Government had published a consultation seeking views on their proposals to implement parts of the Levelling Up and Regeneration Bill (The Bill) which relates to the preparation of Local Plans prepared by Local Planning Authorities. The stated intention of these reforms was to make plans simpler, faster to prepare and more accessible.

Members were asked to agree the response to the consultation which had been set out in Appendix 2.

### **RESOLVED:**

1. That Cabinet considered and approved the response to the Government's consultation on reforms to Plan making reforms as set out in Appendix 2 to this report.
2. That authority be given to the Executive Director of Place to agree any additional minor changes to the Council's response to the consultation ahead of its submission to the Government on 18 October 2023.

## **61 Exclusion of Press and Public**

### **RESOLVED**

That, in accordance with the provisions of schedule 12A of the Local Government Act 1972 and Paragraph 10.4 [3] of the Council's Access to Information Rules, the public and press be excluded from the meeting during consideration of the following items.

## **62 Exempt Minutes**

### **RESOLVED:**

The exempt minutes of the meeting held on 19 July 2023 were confirmed as a correct record.



**63 Date of Next Meeting**

Members noted that the next meeting is scheduled to take place on Wednesday 22 November 2023 at 10.30am.

Signed ..... (Chairman)

Date: .....

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## Committee and Date

Cabinet  
22<sup>nd</sup> November 2023

Item

Public



# Annual Report on Health & Safety Performance for 2022 -2023

## Responsible Officer:

Carol Fox – Occupational Health & Safety Manager

email:

Carol.fox@shropshire.gov.uk

Tel:

01743 252814

## Cabinet Member (Portfolio Holder):

Gwilym Butler

## 1. Synopsis

This report reviews the Health and Safety performance of the Council for 2022-2023. It details the key Health and Safety challenges for the Council, progress on last year's Annual Report and identifies key priorities for 2023-2024

## 2. Executive Summary

### 2.1. Progress with action plan for 2022/2023:

- Commencement of roll out of Cardinus DSE training and risk assessment system as part of Hybrid working strategy.
- Audit plan for schools and other service areas underway with simplified documentation
- Support 'Leap into Learning' development for e-learning health and safety awareness courses across service areas.
- The reportable employee accidents to the HSE have increased from 8 to 12 but minor accidents have decreased slightly compared to last year's figures.

- Service areas have engaged effectively with the Health and Safety team, with Officers regularly attending all DMT meetings.
- The Council continues to maintain a good relationship with enforcement bodies and partner agencies.
- The Health and Safety team were involved with the response and events in relation to the passing of Queen Elizabeth II
- The team have maintained a PPE response service as part of the winding down of the Council's Covid-19 response.
- The team has effectively fully resumed business as usual activities – post pandemic this year.

### **3. Recommendations**

Cabinet note the Council's health and safety performance over the preceding year as set out in the Appendix to this report and to raise any issues as appropriate.

## **Report**

### **4. Risk Assessment and Opportunities Appraisal**

- 4.1. The development and delivery of the Council's Health and Safety Policy associated arrangements and risk assessments are the key process in managing the Council's Health and Safety Risks.
- 4.2. The opportunities and risks arising are assessed on an ongoing basis, whenever legislation changes, or there is reason to review considering Health and Safety incidents.
- 4.3. The Health and Safety performance information that follows and is included in the appendix gives a summary of what the Council has implemented currently and plans for the coming year.

### **5. Financial Implications**

- 5.1. There are no financial implications associated with this report. There may be future financial implications in respect of the actions for 2023/2024 although these will be approved by Senior Managers before they are progressed, to ensure that legislative requirements and best current practice are followed.

## 6. Climate Change Appraisal

- 6.1. The report has no direct effect on climate change outcome, however supporting health and safety e-learning can help reduce carbon emissions from staff travel and building use which make a significant contribution to our carbon footprint. As noted in the previous report, if extreme weather events continue to become more prevalent, this may impact on Health and Safety issues for both staff and the public. No effect is expected on renewable energy generation or carbon offsetting.

## 7. Background

- 7.1. In line with best current practice, the council is reporting on its health and safety performance, providing information on challenges facing the council, progress with work plans and key priorities for the coming year. In line with the Shropshire Plan, our key objectives are aligned to the Four Healthies as outlined in Appendix One.

## 8. Additional Information

Refer to **Appendix 1**.

## 9. Conclusions

- 9.1. This report shows that over the last 12 months, the Council has returned to a more business as usual approach on Health and Safety matters and less pandemic related work. Engagement with service areas over appropriate Health and Safety Management across Council services has been a priority, as well as good engagement with union colleagues and regional partners so that we are able to share best practice efficiently. The move to a Hybrid Working model has been a significant piece of work and will likely go forward into 2023-2024. Maintaining legal compliance on the management of our premises is an ongoing priority, as is development work on systems to support services dealing with violence and abusive behaviour.
- 9.2. It is important to maintain a focus on sensible risk management so that control measures are appropriate and proportionate, at the same time recognising and managing the current financial climate. Upon consideration of this report, we please request approval for the agreed actions for 2023-2024.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

**Local Member:** Councillor Gwilym Butler

**Appendices**

Appendix 1 – Health & Safety Annual Report 2022-2023



Shropshire  
Council

# Health & Safety

## Annual Report 2022-2023



Appendix 1

# Contents

➤ Key results	Page 3-4
➤ Health, Safety & Wellbeing	Page 5
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➤ All Workforce Absences	Page 9
➤ Key actions	Page 10-11
➤ Key challenges	Page 12
➤ Key priorities	Page 13
➤ Our objectives	Page 14



# Key results

This report will cover what Health & Safety activities have been undertaken, as well as highlighting any risks and identifying objectives.

	<p>The HSE (Health and Safety Executive) have <b>not</b> taken any formal or enforcement action against Shropshire Council.</p>
	<p>2985 courses have been completed, on-line, using Leap into learning, this is <b>over 1000 more</b> than last year, new courses have been added including Hot Works, basic CDM (Construction) awareness and Fire Safety induction.</p>
	<p>Cardinus is our online training and assessment programme for Display Screen Equipment (DSE) users. The latest version is being rolled out to our staff, in phases.</p>
	<p>Incident reporting categories have been expanded to include several types of abuse and violence incidents.</p>
	<p>Continued to implement the <b>Wellbeing Plan</b>, and on-going staff wellbeing events throughout the year.</p>
	<p>The priority order of carrying out school audits, has been updated to focus on “risk levels.” The audit form has been reviewed and updated to include more <b>compliance</b> areas. Audits of radioactive sources continue to be carried out in schools held within the science department.</p>

# Key results, continued

We are confident that the arrangements, policies, training, and support that we provide ensure that Shropshire Council is compliant and most importantly focused on keeping our staff and the public safe. We are always looking for ways to improve, and this is just some of what we have done over the past year:

Actions identified/undertaken	Progress
Reviewed the Terms of Reference for the Health, Safety and Welfare Group, with Trade Unions and service areas.	Completed
Continued focus on post Covid operations, which includes doing more on-site audits, more face-to-face training, and support visits.	Completed
The Health & Safety Team, work with Service Areas to produce and implement <b>Health &amp; Safety management systems</b> including policies, procedures, and local arrangements	Ongoing
Continual development of external contracts with associated Service Level Agreements (SLA) in place	Ongoing
To fulfil contractual monitoring and support to Academies and customers under Service Level Agreements	Ongoing
To engage with Service Areas to ensure that health and safety compliance is in place and to review Self-Monitoring Checklist to ensure rollout to identified Premise Managers.	Ongoing
Policies and arrangements continue to be updated on a rolling programme.	Ongoing
233 <b>Asbestos</b> management and re-inspection survey completed.	Completed
277 sites monitored monthly for <b>Legionella</b> and 133 sites had water risk assessments completed on a rolling programme.	Completed
Move to <b>Hybrid</b> working across the Council – Health & Safety implementation and staff consultation ongoing via the Safer Working Group/New Ways of Working Groups led by Director of Place	Ongoing

# Health, Safety & Wellbeing

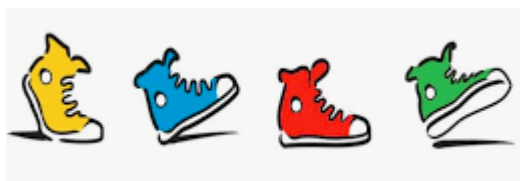


The **HSBC digital financial wellbeing** package became available for employees which includes a rolling monthly programme of webinars and the opportunity to have a free half hour financial health check.

**Wellbeing sessions and training** made available to our staff included:

- Virtual Alcohol Awareness
- Line Manager Mental Health Awareness and Resilience Training
- Wellbeing Lunchtime Drop-in Sessions' Pilot. We began piloting our Wellbeing Lunchtime Drop-In sessions as a way of offering face to face support for staff across the office hubs.

## Walking the walk

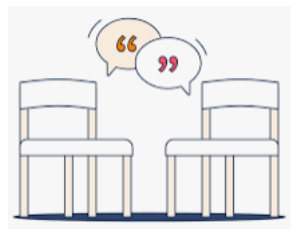


Andy Begley's [Walking Video](#) encouraging staff to incorporate a walk into their daily routine.

## Physiotherapy Clinics

Physio clinics took place in office hubs across the county: Oswestry, Bridgnorth, Market Drayton, Shirehall and Four Rivers Residential home in Ludlow. The clinics were for targeted to staff with low level aches and pains.

**The Access to Work Mental Health Support Programme** offer one-to-one appointments which allow employees to have an hour-long confidential conversation with a mental health professional to learn more about the Access to Work Programme and whether this support would be beneficial and appropriate. This nine-month coaching style programme is now an established part of our Wellbeing Offer and is valuable in keeping employees at work whilst being supported.



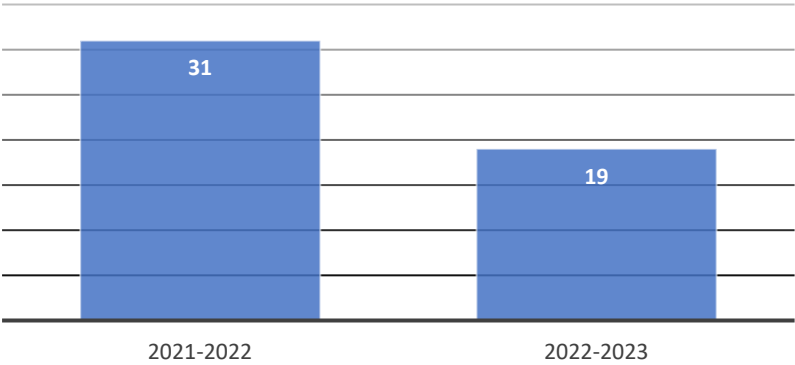
## Cost of Living financial wellbeing support

Cost of Living Hub on the staff intranet which signposts to various support available to employees to help with the cost-of-living crisis.



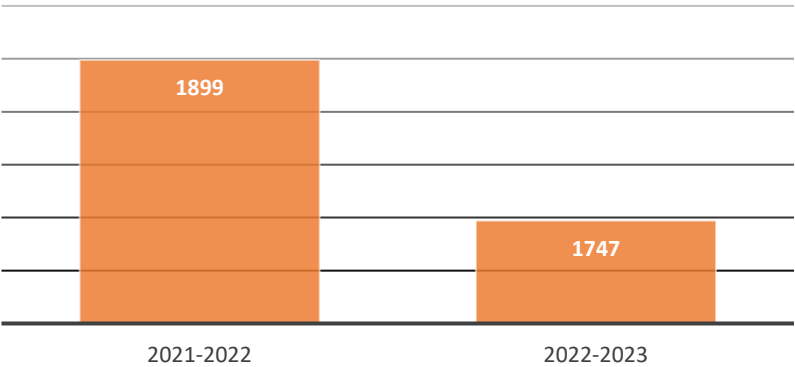
# Occupational Health

Ill-health retirement requests processed



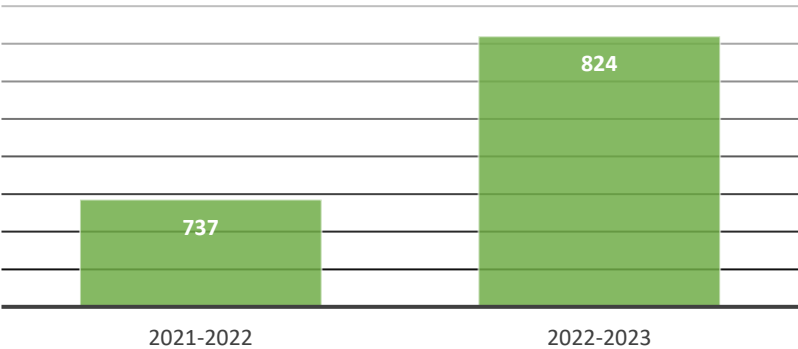
Requests for **ill health retirement** returned to more usual levels during 2022-20223 at 19 in total following the increase in the previous year that was likely attributable to the pandemic.

Medical Questionnaires Processed



Occupational health processed 1747 **medical questionnaires** for employment clearance from 1st April 2022 – 31st March 2023, compared with 1899 in the previous year. This process ensures that any health conditions or equality issues are raised and supported through risk assessment and reasonable adjustments for corporate and school staff.

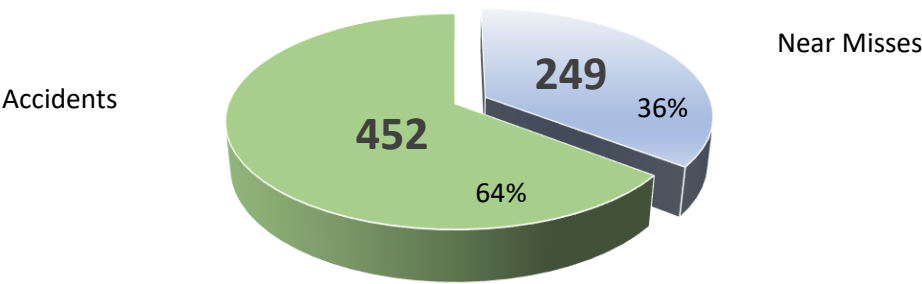
Management Referrals Processed



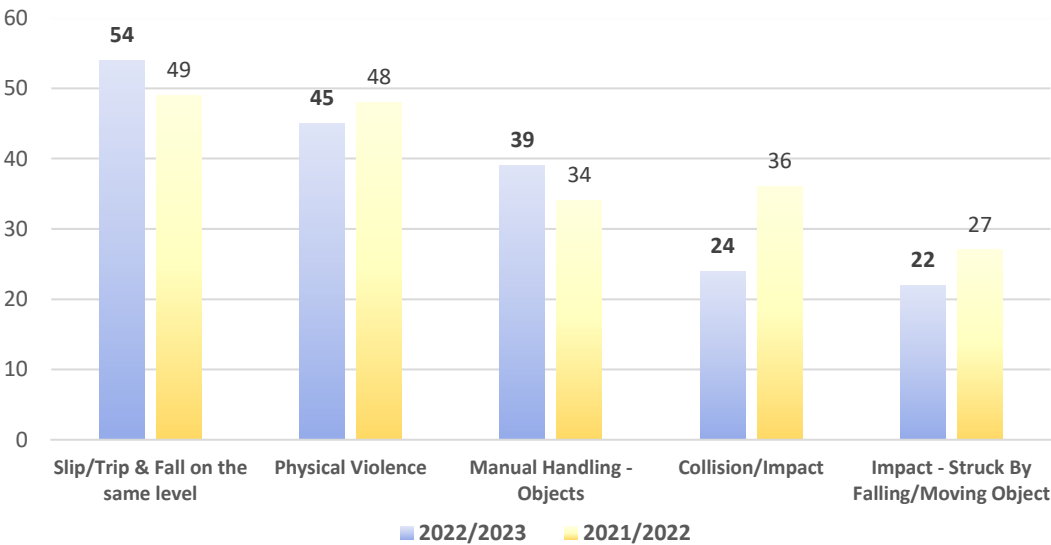
824 **occupational health management referrals** were processed during the period 1st April 2022- 31st March 2023, compared with 737 in the previous year. This provides both the manager and the employee with support regarding the physical or mental health of an employee and supports them to remain or return to work for corporate and school staff.

# Safety Data

Total reported **incidents** ( accidents + near misses) to Corporate and School staff = **701**



## Main Causes of Minor Injuries to Employees

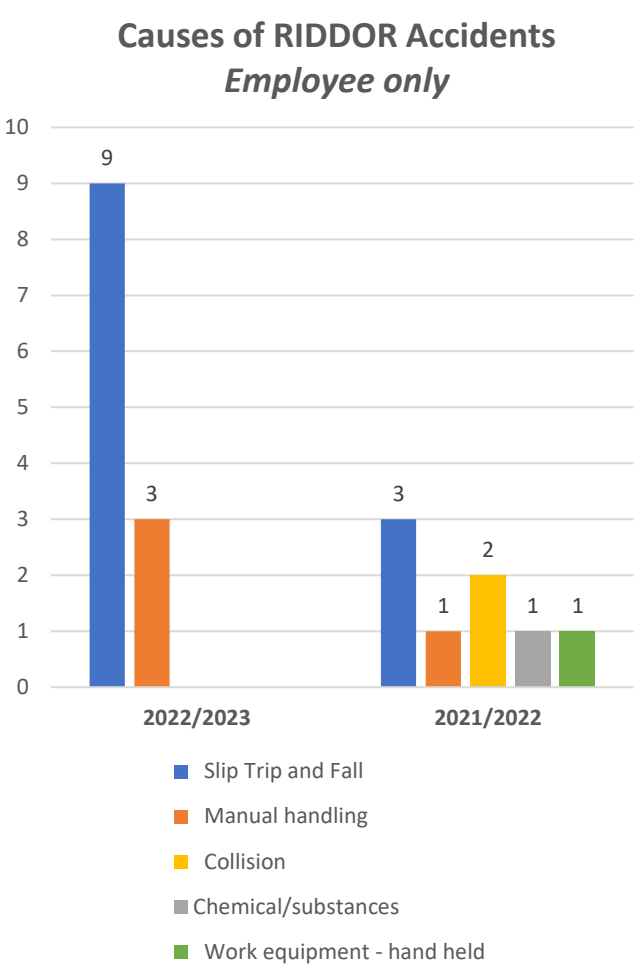
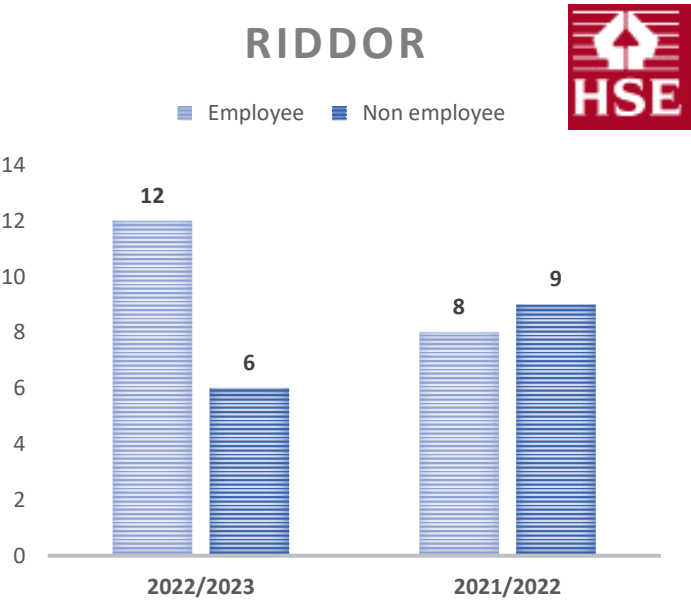


A local comparison benchmark of total employee accident data indicated that Shropshire were slightly lower against the average total accident incident rate.

Other Local Authorities: 9.2%  
Shropshire Council: 7.8%

# Safety Data - RIDDOR

RIDDOR – The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations



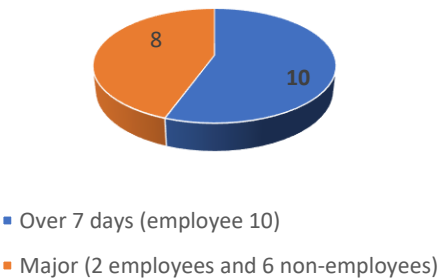
The Health and Safety Team will continue to review each online accident form and ensure that remedial action is put into place to prevent a reoccurrence and undertake investigations as necessary.

All RIDDOR reportable incidents are **fully investigated** by the Health & Safety Team.

A local comparison benchmark of RIDDOR employee data indicated that Shropshire were slightly lower against the average total RIDDOR incident rate.

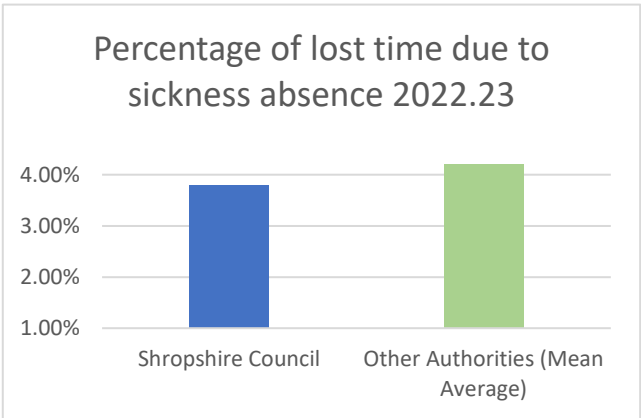
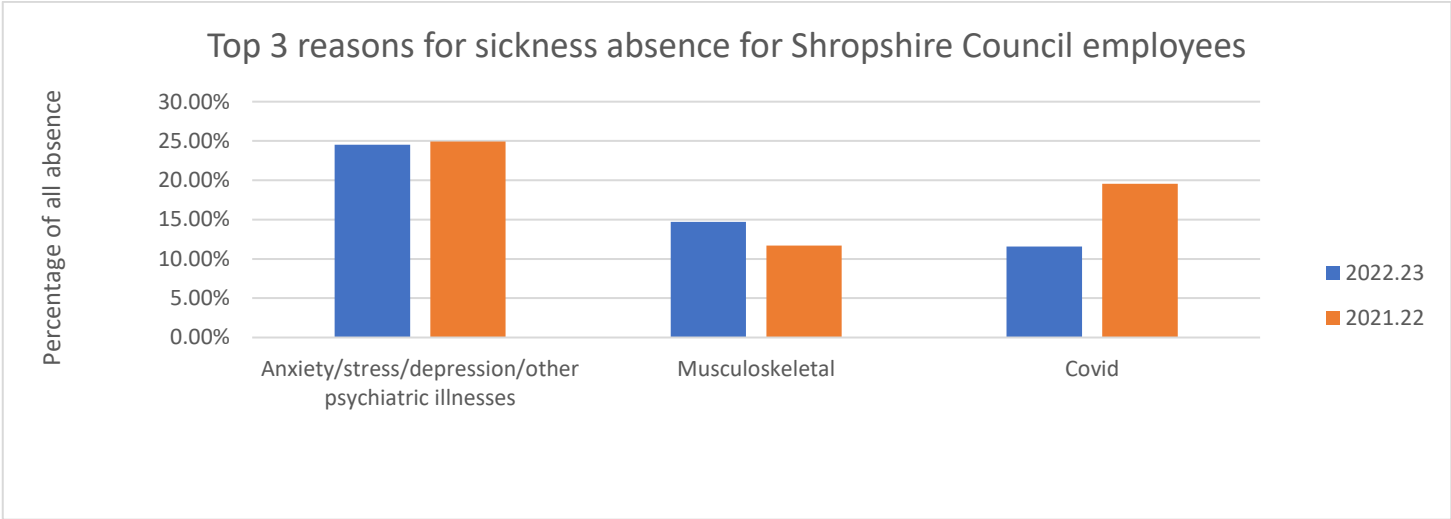
Other Local Authorities:	0.6 %
Shropshire Council:	0.2 %

TYPE OF RIDDOR



# All Workforce Absences

The following charts represent the top three causes of all absences within the workforce, the remaining absences are causes such as coughs, cold, influenza, chest and respiratory, gastrointestinal problems, benign and malignant tumours, and other known causes.



A local comparison benchmark of HR data indicated that Shropshire were slightly lower against the average percentage of lost days.

Other Local Authorities:	4.2%
Shropshire Council:	3.8%

Overall total lost days due to absence has decreased in 2022.23 when compared to 2021.22 by just over 9%, this also represents the reduction in lost days to stress (slightly more at 9.6%) which correlates to the fact that percentage of all absence due to stress has reduced only very slightly.

Occupational health management referrals have increased over the year, so it is possible that early referrals are having an impact on absence reduction particularly with regards to absence due to stress.

Musculoskeletal absences are on the increase slightly. Focus going forward will be on raising awareness of the physio support offered by Occupational Health. Early intervention by and referral by Managers helps to mitigate the impact of these absences. Cardinus is the councils' E-Learning solution for training and risk assessment and is designed to minimise Display Screen Equipment risks and maintain a healthy workforce.

# Key actions - What have we done?

## Actions identified/undertaken

Programme of engagement with service area management teams to discuss health and safety management issues and concerns on a quarterly basis.

To fulfil contractual monitoring and support to Academies and customers under Service Level Agreements

To engage with Service Areas to ensure that Health and Safety compliance is in place, and to review Self-Monitoring Checklist to ensure roll out to Premise managers.

The Health and Safety team worked as part of a multi-agency response to deliver statutory events in the aftermath of the passing of Queen Elizabeth II.

Provision of advice to schools and council service areas on dealing with **cold weather and heat waves**. Provision of updated advice to schools on Health and Safety management during **industrial action**

Ongoing delivery of **Safer Schools accreditation** scheme to ensure appropriate security and safety measures are in place. Additional Crime Prevention visits and advice across wider service areas in response to issues specific issues at sites.

Manage and maintain a stock of PPE (Personal Protective Equipment) to support the care sector, although demand has proved to be minimal.

Scheduled quarterly meetings with Portfolio Holder for Health & Safety.



# Key actions - What have we done?

## Actions identified/undertaken

### **Collaborative** working with:






- Supported the Midlands Partnership NHS Foundation Trust in producing and reviewing choking guidance for adults with support needs.
- Fire Safety with Shropshire Fire and Rescue Service
- West Midlands Health and Safety Group and National Practitioner Panel meeting to share and discuss best practice with other local authorities.
- Risk Management Team – Martyn’s Law, in relation to safety and security of public venues
- West Midlands Wellbeing Group regional lead
- HSBC Financial Wellbeing
- Able Futures (providers in the Midlands region for the Access to Work mental health programme)
- West Midlands Health & Safety Group for Education
- Regular meetings with Union colleagues



**Shropshire**  
Fire and Rescue Service

# Key challenges - 2023/24

Health & Safety challenges to the council:

Challenge	Mitigating actions
 <p>Sufficient First Aiders and Fire Wardens at all council premises</p>	<p>A review is taking place to understand the current levels of cover and any requirements that may be needed. This will be fed into the New Ways of Working Group and the Health Safety and Welfare Group for consideration and decision making.</p>
<p>Slips, trips, and falls</p> 	<p>Ongoing management and implementation of cleaning regimes, site inspections and awareness training for all staff. Ongoing review of incident data to identify any trends or premises of concern.</p>
<p>Verbal and physical violence</p>	<p>Review of incident data to identify any specific service areas of concern, availability of suite of training to upskill staff in awareness and coping mechanisms. Liaison with premise management and, if appropriate, utilise security company support.</p>
 <p>Mental health and Wellbeing of staff</p>	<p>Regular communication of availability of wellbeing initiatives and counselling support</p>
<p>Fire Safety compliance</p> 	<p>Ongoing training with staff, regular liaison, and meetings with Fire Service, monitoring of Fire Risk Assessment completion and progress with action plans. PSG (Property Services Group) Statutory Compliance Officer in post to support monitoring and compliance.</p>
<p>Supporting schools with their Radiation risk</p> 	<p>Our Radiation Protection Officer carries out bi-annual audits to ensure the amount held on site is within a school standard holding, and that sources are managed and monitored according to L93, to meet the Ionising radiation regulations.</p>
<p>Asbestos/Legionella/Radon compliance</p>	<p>Ongoing training with staff, programme of risk assessment and monitoring. PSG Compliance Officer in post to support monitoring and compliance.</p>
<p>Hybrid Working and staff safety and Wellbeing.</p>	<p>Annual roll out of Cardinus for DSE users to help mitigate Musculo skeletal issues, equipment supplies programme and team-led employee engagement and monitoring.</p>

# Key priorities - 2023/24

Key priorities	Timescales
<b>Auditing/compliance</b> Identification of weaknesses or gaps in arrangements and review of whether appropriate management arrangements are in place and confirmation that adequate risk control systems exist. (Activities and working environments)	Ongoing
<b>Power BI</b> – development work which the aim of using to manage and model data, produce interactive reports and dashboards to ensure the latest H&S (Health & Safety) information at our fingertips, with the outcome of a single version of the truth for data.	Dec 23
Roll out of Health and Safety <b>E-Learning</b> for schools via Leap into Learning, with the aim of augmenting, not replacing (required face to face training). Designed to simplify interim refresher training.	Dec 23
Light-touch review of <b>First Aid and Fire Warden cover</b> to inform New Ways of Working Group	Oct 23
<b>Staff Protection Register (SPR)</b> – implementation of corporate system to coordinate and collate risk information relating to Potentially Violent Persons and premises of concern relevant to service areas.	Mar 24
Roll out of <b>Cardinus</b> system for Display Screen Equipment training and risk assessment to all relevant staff.	Oct 23
<b>Hybrid/homeworkers</b> have suitable and sufficient workstations.	Ongoing
Offer <b>Flu vouchers</b> to support NHS programme and engage with partners (ICS) to collaborate on health and wellbeing initiatives for staff.	Oct 23

# Our objectives - 2023/24

Shropshire Council is committed to the health, safety, and wellbeing of our employees, whilst ensuring that their work does not adversely affect the health and safety of others i.e., pupils, public, service users, contractors. In line with the Shropshire Plan our key objectives are:



- Providing professional and effective advice, guidance, training and monitoring on safe working practices and environments to all service areas considering new ways of working, changes in guidance and incident data.
- Working with the Integrated Community Services (ICS) to develop a system wide employee wellbeing initiative for our health and social care workforce. [OBJ]
- We will continue to provide supportive health, wellbeing, and resilience interventions to our employees through our Wellbeing Plan.



- Develop our Shropshire Human Resources (HR)/Occupational Health & Safety (OHS) brand to be flexible to meet customer's needs, reasonably priced, etc.



- Health and safety premises audits/inspections/interventions



- Support the development and implementation of the Council's Target Operating Model.
- Roll out of mandatory DSE Workstation Assessment training for office, home, and hybrid workers.
- Provide access to occupational health support.
- Consult and engage with trade union colleagues.
- Promote and revise H&S Intranet pages and Shropshire Learning Gateway.
- Ensure that staff with responsibilities for health and safety are competent.



## Committee and Date

Transformation & Improvement Scrutiny  
15<sup>th</sup> November 2023

Cabinet  
22<sup>nd</sup> November 2023

Item

Public



## Financial Monitoring 2023/24 – Quarter 2

<b>Responsible Officer:</b>	James Walton		
email:	<a href="mailto:james.walton@shropshire.gov.uk">james.walton@shropshire.gov.uk</a>	Tel:	01743 258915
<b>Cabinet Member</b> (Portfolio Holder):	Cllr Gwilym Butler, Finance & Corporate Support		

### 1. Synopsis

The Shropshire Plan clarifies our vision and priorities, aligning our resources to deliver positive outcomes for our people, businesses and communities. Our objectives are to be delivered within a fixed financial envelope and we are making good progress towards that aim.

### 2. Executive Summary

#### Overview

- 2.1. The Shropshire Plan (TSP) was created to clarify Shropshire Council's vision, priorities and Strategic Objectives. These objectives reflect the outcomes we aim to achieve within our available financial envelope. We measure the achievement of TSP by monitoring our performance (using Key Performance Indicators (KPIs) to help measure, drive and understand delivery of our Strategic Objectives) and managing our overall financial position (ultimately delivering our outcomes while remaining within our agreed financial envelope).
- 2.2. The current year, 2023/24, is the year we are prioritising financial management with the aim to create a sustainable financial future. Over this year we need to closely monitor our finances and take decisive and corrective action against any deviation from our approved Medium Term Financial Strategy (MTFS). We are

seeking to rebase our budgets, in line with the outcomes defined in TSP, to secure a modern, efficient, and sustainable base for the Council finances across the 5 year period of the MTFS.

- 2.3. This approach is aligned to the recommendations of the LGA peer review and is comparable with the best approaches seen in local government and covers the key elements of the Councils finances – revenue performance including ringfenced grants, spending reductions, reserves, and capital investment.
- 2.4. We will need to make the adjustments this year but Shropshire residents will reap the rewards for many years to come, through improved financial stability. Against this backdrop we are seeking to maintain our performance and improve it where our financial position allows. Our plans will then expand into the next financial year with a focus on increased efficiency and improved outcomes, redefining the way we deliver our services to optimise delivery of our vision. Beyond that, our emerging intent is to grow our potential, seeking continuous improvement, greater resilience and increased efficiency in all aspects of our work.

### **Summary**

- 2.5. In a challenging year, where other councils are also struggling financially, Shropshire Council continues to robustly manage its finances. Our net budget has grown by £20m compared to last year and we have targeted £51.4m of spending reductions to contain our spending within this financial envelope. Of this target, £20.6m has been delivered by the end of September 2023 and a further £17.4m to be delivered by March 2024. Overall, this equates to £38.0m, or 74% of the target.
- 2.6. In common with every financial year, we expect our models and plans for service delivery to adapt and modify with the changing external environment. Typically, we must manage under and over-spending variations across all of our spend heads and to date we have identified material pressures in demand-led social care services. We are working to create plans to mitigate these pressures to align our spending with available resources, if necessary, extending beyond this financial year.
- 2.7. While the Council's vision and intended outcomes is clear, the scale of the financial challenge in 2023/24 is unprecedented. To maintain focus in the delivery of our outcomes, increased resilience across the organisation is necessary. Undertaking an extensive leadership development programme (GLR) to provide individual resilience, investing in a new corporate resource (the Office of the Chief Executive or OCE) to provide programme management expertise and increased focus, and working with a new Strategic Transformation Partner (PwC) to create capacity and capability for the authority are all designed to improve organisational resilience.
- 2.8. This report estimates the Council's year end position by reviewing and projecting information from the first quarter of the financial year. Whilst information from the period 2 (to the end of May) was used to provide an early oversight of our financial position, this is the first published report for the current financial year and will be followed by reports for the year to 30 September (quarter 2), 31 December (quarter 3), and 31 March (quarter 4, or 'outturn'). Monthly updates will be provided between these times.

- 2.9. As part of the necessary arrangements for delivering TSP, the Council has reviewed and updated its approaches to both performance and financial monitoring. Both areas are now more pro-actively informed by timely activity data and are available to a range of officers to help guide decision making. The 'PowerBI' dashboards provide current data, showing trends, RAG status and benchmarking where available. These approaches were initially designed in late 2022/23 and have been implemented in Q1 2023/24 for roll out across the year. The work on them is ongoing and iterative, as we identify what works best for colleagues across the Council.
- 2.10. The Q2 Performance report (elsewhere on this agenda) sets out performance across the Council using a range of KPIs. These focus on the key performance metrics needed to enable assessment of the delivery of the agreed outcomes set out in TSP through our priorities and strategic objectives.
- 2.11. This Q2 Finance report complements the performance report but provides a different perspective. Crucially, the finance report and the forecasts it contains reflect the current position on 'cost drivers' rather than 'KPIs'. We may therefore find that the position on KPIs is favourable, but that the finance position is adverse because the activity levels (the cost drivers) are higher than anticipated.
- 2.12. To address this position effectively, the following measures have been put into place:
- a. Review of savings not yet achieved to identify how delivery against the remaining £13.4m can be maximised.
  - b. Implementation of demand-management initiatives in social care services to ensure that, wherever possible and safe, early interventions are identified to help prevent children coming into care, and adults to remain independent and delaying the need for long term care and support. Given the extent of the demand-led pressures, it is expected that the situation will not be fully resolved in the current financial year. As such, and where clear long term plans are set out which can demonstrate success, short-term funding will be made available while successful demand management measures are implemented.
  - c. The General Fund balance, as set out in the March MTFS has been increased to £27.0m. It is intended to preserve this amount to the greatest extent possible in the year, as part of the wider work to repair the Council's balance sheet. Based on the planned forecast set out above, there may remain an unreduced pressure of £3.6m, which could be funded by the general fund balance and leave £23.4m (which is above the lower end of the target range).

### Key Values and Context

- 2.13. The key issues highlighted by this report are:
- a. **Revenue spending reductions of £38.0m:** The MTFS agreed by Full Council (2 March 2023) included £51.4m of planned spending reductions.
    - o To 30 September, £20.6m is confirmed as already fully delivered with a further £17.4m expected by year end, to a total of £38.0m of

- spending reductions currently expected to be delivered by 31 March 2024.
- £38.0m represents 74% of the year-end target.
- b. **Remaining revenue spending reductions of £13.4m under review:**  
Further work is needed to deliver the balance of spending reductions to achieve the overall target. Within the £13.4m not yet expected to be delivered are some schemes where progress is in hand, and further delivery can be expected, but also other schemes which are now in doubt (either for in-year delivery, or for overall deliverability).
- c. **Spending pressures in demand-led services of £22.2m:** Despite the good progress on spending constraint already identified (at a and b, above), social care services are experiencing significant demand pressures, in common with many other local authorities.
- d. **A resulting 'BAU' ('do nothing') forecast of £32.3m:** Taking (a), (b), and (c) together results in anticipated spending which is £32.3m outside the available budget, assuming no further actions are taken to improve that position.
- e. **An 'operating' forecast of £3.6m:** With further programmed actions taken. These actions include further work for items (b – savings delivery) and (c – budget pressures)
- f. **The above resulting in a General Fund Balance £23.4m at year end.**

Table 1: summary position including current BAU and Operating Forecasts.

		Ref	Q2 £m	Q1 £m
Savings	Target: £51.4m; Achieved £20.6m, additional expected: £17.4m, overall £38.0m at Sept 30 (74%). £13.4m where further delivery is under review.	a, b	10.1	17.1
Other challenges	Principally social care demand higher than anticipated	c	22.2	20.5
<b>BAU forecast</b>	<b>Forecast before planned mitigations ('do nothing')</b>	<b>d</b>	<b>32.3</b>	<b>37.6</b>
Further savings anticipated	Expected minimum delivery of 90% is £46.2m. Delivery of £46.2m implies a further £8.2m available above the £38.0m already delivered.		-8.2	-11.9
Demand mitigation	Short term funding while demand-led pressures are addressed (18 months)		-20.5	-20.5
<b>Operating forecast</b>	<b>Forecast after planned mitigations ('planned delivery')</b>	<b>e</b>	<b>3.6</b>	<b>5.2</b>
Unearmarked Reserves	General Fund Balance brought forward		7.1	7.1
	Budgeted contribution		19.9	19.9
	Planned delivery forecast (unless mitigated)		-3.6	-5.2
<b>Estimated General Fund Balance @ 31 March 2024 (f) 21.8 (target = £</b>		<b>f</b>	<b>23.4</b>	<b>21.8</b>



### 3. Recommendations

#### Transformation & Improvement Scrutiny Committee

- 3.1 It is recommended that Transformation & Improvement Scrutiny Committee note the current position, raise any issues as appropriate, and identify any areas for future consideration by Scrutiny.

#### Cabinet

- 3.2 It is recommended that Cabinet note the following:

- a. That at the end of Quarter 2 (30 September 2023), the current expected level of savings delivery is £38.0m.
- b. That savings not yet confirmed, and so under further review to assess deliverability, amount to £13.4m.
- c. That demand-led services are forecasting significant budget pressures of £22.2m in the year, which are likely to continue into the coming year.
- d. The result of A-C above with no further actions is a forecast overall overspend of £32.393m.
- e. That it is assumed for planning purposes that
  - 90% of the total savings will be delivered (so £8.2m further delivery expected) and
  - short-term funding will be identified to enable sustainable demand management approaches to be implemented in social care services (total: £20.5m), with necessary plans prepared to enable this.
- f. The resulting forecast at quarter 2 is therefore a likely overall overspend of £3.6m once key management actions, set out above, are implemented. This will leave the General Fund balance at £23.4m, within the target range of £15m-£30m.

## Report

### 4. Risk Assessment and Opportunities Appraisal

- 4.14 Regular financial reporting is part of the governance and risk management approach within the Council ensuring that it delivers sustainable and value for money services as required under statute. Risk management continues to be an active part of this process, and Officers review potential risk and opportunity scenarios each month.
- 4.15 Risk table

Table 2: Risks and mitigations

<i>Risk</i>	<i>Mitigation</i>
That the management actions described do not yield the results being targeted, leading to a larger pressure on the general fund balance.	<p>To further enhance reporting and action planning on financial performance through Directorate Management and Chief Officer teams to include clear visibility for reserves position(s).</p> <p>To ensure that plans are prioritised such that the outturn position is fully funded by available reserves.</p>
Ongoing pressures in Adult Social care	<p>Partnership working with the ICS to ensure that risks and opportunities are actively managed through the winter period (an integrated approach to hospital discharge arrangements), and that opportunities to secure any additional funding (e.g., from DHSC) are utilised.</p> <p>The service transformation programme (see below from para 8.21) will also provide mitigations, with the enhanced approach to reablement.</p>
Ongoing pressures in Children's social care	<p>Current indications are that the use of earlier intervention approaches is reducing the number of cases where children in need become children looked after, which will reduce new cases of children in need of care. Additionally, the introduction of in-house residential provision will provide alternatives commercial residential care, such as family reunification or fostering.</p>
Insufficient reserves to cover projected overspending or other deficits.	<p>Improved budget preparation process with more analysis of current and future activity trends.</p> <p>Modelling of current and future reserves levels, including both earmarked and unearmarked, against likely levels of pressure and impact on securing the desirable level of unearmarked (general) reserves.</p> <p>Review of ways in which further funds can be brought into unallocated general fund balances and reserves to support balance sheet repair and reserves improvement with the aim to retain a General Fund Balance within the range of £15m to £30m.</p>

## 5. Financial Implications

5.1 The subject of the report.

## 6. Climate Change Appraisal

6.1 The Council's Financial Strategy supports its strategies for Climate Change and Carbon Reduction in several ways. A specific climate change revenue budget is held and spend is included in Appendix 1 to this report. The climate change schemes involving the Council's assets or infrastructure are included within the capital programme of which further detail can be found within Appendix 7. These two areas of expenditure are anticipated to have a positive contribution towards climate change outcomes.

- 6.2 Securing a robust and sustainable financial base will help the Council meet the challenges of climate change – this is not separate to our budget management, but integral to it, as set out in the objectives of The Shropshire Plan and our aim to secure a Healthy Environment.

## 7. Background

- 7.1 Budget monitoring reports are produced quarterly for Cabinet and the budget position is reported monthly to Executive Directors, highlighting the anticipated year end projection.
- 7.2 The monitoring reports track progress against agreed budget decisions, consider any budget changes (including re-profiling on Capital), forecast any significant variances to the budget, and enable corrective action to be taken to ensure a balanced budget at year end.
- 7.3 Council approved the Financial Strategy 2023/24 – 2027/28 on March 2023 which outlined the revenue and capital budget for 2023/24.
- 7.4 The approach to the current year was changed in view of the challenges we face, identified in the MTFs agreed by Full Council on 2 March 2023. The approach to the current year was changed to:
- Improve access for budget holders to key activity and financial information
  - Speed up internal reporting from quarterly to monthly, while maintaining quarterly reporting as our standard demonstration of transparency and accountability.
- 7.5 This approach will be further developed during the second half of the year, ensuring further improvements to the financial positions for all service areas, and focusing on optimising the position at year end.

## 8. Projected Revenue Outturn at Q2

### Overall position

- 8.1 At Quarter 2 (April – September), the Council is reporting a BAU ('business as usual') forecast overspend of £32.393m before further mitigations. This forecast assumes that all current plans are delivered, and that no further plans are put into place (hence, BAU).
- 8.2 The £32.393m forecast overspend can be summarised as
- **£13.381m of spending reduction targets not yet achieved** as at Quarter 2, and so subject to further review to assess deliverability within the year<sup>1</sup>.
  - **£9.701m budget pressures within Adult Social Care** due to higher demand pressure and complexity than anticipated.
  - **£12.977m budget pressures within Children's Social Care** due to higher demand pressure than anticipated.

<sup>1</sup> Spending reductions are counted as delivered if there is a clear plan in place, delivery is already under way, and there is certainty in delivery over the course of the financial year. The status of all spending reduction plans is reviewed monthly, so may vary over time.

- 8.3 The significant budget pressure being seen in social care is a position shared in common with many other local authorities, as recent media reports and sector communications have continued to confirm. It is clear that the ongoing impacts of COVID and the cost of living crisis continue to impact on many residents.
- 8.4 Headlines for each directorate area are set out below, with more details in appendices 1A and 1B.

Figure 1: Directorate headlines

<b>People</b>	<p>Overall £25.4m budget pressure for People Directorate continues to be driven by higher than anticipated demand for social care services, often with more complex needs.</p> <p>However, the financial position is <u>after</u> improvement arising from rapid delivery of planned spending reductions (currently £17.7m).</p> <p>Other linked mitigations include a broader reablement offer, already leading to higher numbers of people being supported through this pathway which provides better outcomes for residents and reduced future needs (greater independence) following a period of reablement. Also expanded use of Direct Payments to promote autonomy and support people to be at home where possible.</p> <p>This level of demand and cost increase is being experienced across the care sector.</p>
<b>Place</b>	<p>Overall Q2 position for Place Directorate improved by £4.2m (50%) from Q1 due to implementation of further spending reductions, some being budget plans for the current year, some arising from new developments or manager actions.</p>
<b>Resources</b>	<p>Results for Resources Directorate are driven by the ongoing overspending in Housing Benefit Subsidy related to Temporary Accommodation needing to use B&amp;B provision, which is not fully funded through Housing Benefit.</p> <p>Wider plans to address Temporary Accommodation provision will address this but will take time to put into place. This is mitigated in part by achievement of reduced staff spending in line with budget plans.</p>
<b>Health and Wellbeing</b>	<p>Public Health activity is funded from the (£13m) public health grant, with underspends from previous years being carried forward and planned overspends being offset by brought forward surpluses (hence £0 variance forecast). Regulatory services position now within budget at Q2.</p>
<b>Corporate</b>	<p>Available cash balances have been higher than anticipated, and bank rates have been higher than anticipated, allowing more favourable results for interest receivable. Cash balances have been higher, in part, due to capital spending progressing slower than anticipated.</p>

- 8.5 Table 2 below summarises the position by directorate. This shows that the greatest pressure is in the People Directorate, in the same way as was reported for Quarter 1. This is largely unchanged, due to ongoing work to address demand pressures. Other areas have seen improvements in their overall positions.

Table 3: BAU forecast expenditure and resources

Directorate	Revised Budget (£'000)	Forecast Outturn (£'000)	Q2 Under/ Overspend (£'000)	Q1 Under/ Overspend (£'000)
People	207,767	233,143	25,377	24,859
Place	80,882	85,172	4,289	8,475
Resources	3,096	6,297	3,201	3,452
Strategic Management Board	165	148	(17)	14
Health and Wellbeing	2,509	2,507	(2)	63
<b>Service Spending</b>	<b>294,419</b>	<b>327,267</b>	<b>32,848</b>	<b>36,863</b>

Corporate Budgets	(38,505)	(38,960)	(455)	727
<b>Total Net Expenditure</b>	<b>255,914</b>	<b>288,307</b>	<b>32,393</b>	<b>37,590</b>
<b>Funded By:</b>				
Council Tax	(193,577)	(193,577)	0	0
Business Rates	(39,424)	(39,424)	0	0
Top Up Grant	(11,120)	(11,120)	0	0
Revenue Support Grant	(7,479)	(7,479)	0	0
Collection Fund (Surplus)/Deficit	(4,314)	(4,314)	0	0
<b>Total Funding</b>	<b>(255,914)</b>	<b>(255,914)</b>	<b>0</b>	<b>0</b>
<b>Net Total</b>	<b>0</b>	<b>32,393</b>	<b>32,393</b>	<b>37,590</b>

- 8.6 Demand management interventions are discussed further in the following paragraphs. There are smaller but material overspends in Place and Resources Directorates, and work is in hand to further reduce these in the coming months. Overall service spending is £32.8m over budget, and corporate budgets are offsetting that by £0.5m. This represents a £5.2m improvement over the position reported at Q1. (For further detail, see Appendix 1A and 1B; the breakdown by portfolio holder is in Appendix 1C.)

### Delivering spending reductions

- 8.7 The forecast set out at table 1 includes a BAU ('no change') forecast, as well as a forecast of the likely impact of management actions currently in hand. Two management actions are critical – increasing the overall level of spending reductions delivered through the remaining months of the year, and reducing demand pressures from their current levels. Spending reductions already delivered within the year and anticipated to be delivered by the year-end now amount to £38.0m. This is summarised below.

Figure 2: Forecast spending reductions

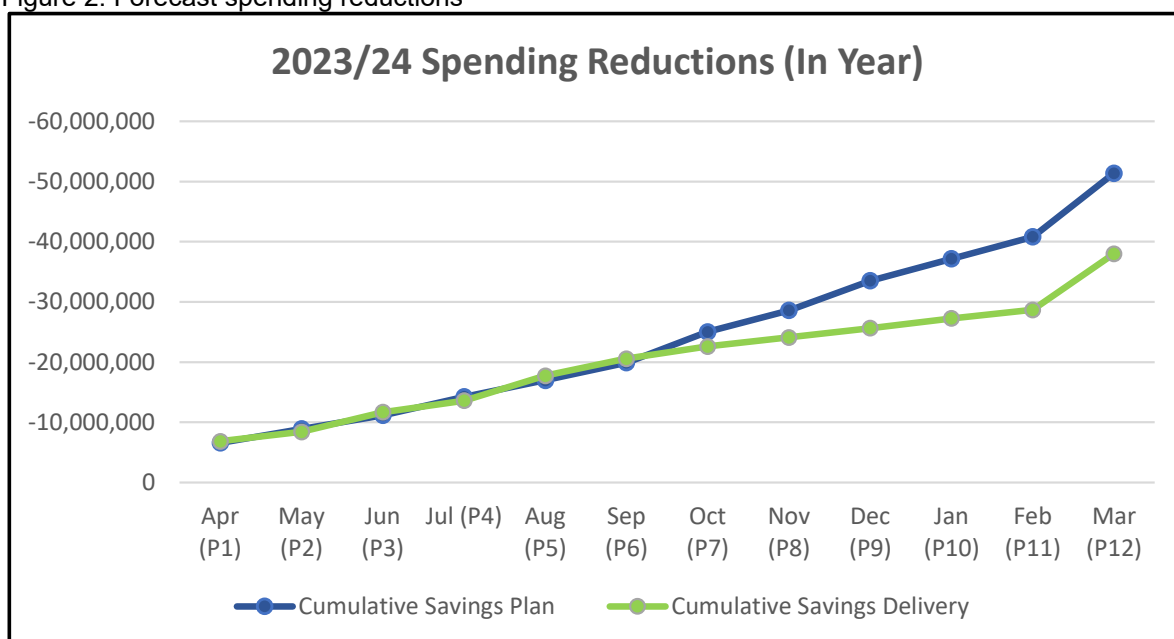


Table 4: Summary of spending reductions

2023/24 SPENDING REDUCTIONS	2023/24 target savings	Q2 - delivered	Q2 - forecast	% of target savings	under review
Health & Wellbeing	-653,170	-544,185	-653,170	100%	0
People	-21,304,438	-10,505,633	-17,754,748	83%	-3,549,690
Place	-16,941,750	-6,458,719	-12,331,340	73%	-4,610,410
Resources	-6,027,192	-1,870,411	-3,069,882	51%	-2,957,310
Corporate	-6,463,760	-1,200,010	-4,200,010	65%	-2,263,750
<b>total</b>	<b>-51,390,310</b>	<b>-20,578,957</b>	<b>-38,009,150</b>	<b>74%</b>	<b>-13,381,160</b>

- 8.8 Delivery of a further £8.2m of spending reductions involves addressing some of the savings proposed and agreed in March 2023 which are ‘still to be identified’ or ‘slipped in delivery’. This requires further work, which is in hand, but plans are yet to be fully confirmed.

#### Demand Management

- 8.9 In order to address the budgetary pressures arising in Social Care, the People Directorate is actively implementing measures to help ensure that resident care needs are met at the earliest opportunity, to reduce the extent of higher cost care packages that are currently needed. Work to reduce demand pressures (to meet resident needs earlier) is set out below.

#### Responding to Demand Pressures

- 8.10 Demand arises when residents turn to the council to fulfil a need. All councils are facing unprecedented demand for social care due to a range of factors. This can manifest in different ways, including;
- simple resident requests for support or advice (demand)
  - requests that are directed correctly and necessary (necessary demand), or
  - which may arise in different parts of the Council’s contact with residents and need redirection (misdirected demand); or again
  - where a request is presented, but improperly (misdirected demand), or
  - where a request is stimulated by other activity of the Council (failure demand/repeat demand)
- 8.11 Demand can also be considered in terms of where it is known early, and can be addressed before it becomes more acute, or where it is only identified late on, and so is more acute.
- 8.12 Demand pressures are increasingly being felt across the organisation, including inflationary pressures, temporary accommodation, customer expectations, and social care.
- 8.13 In children’s social care (CSC) we are seeing a growth in children becoming looked after due to; the legacy of the covid pandemic, the current cost of living crisis, and changes in legal duties (notably the 2014 SEND reforms). The number of children looked after (those coming into care) has almost doubled in the last five years, from

333 in 2018 to 656 this year, putting significant pressure on the council's budget. Similarly, numbers of children with EHCPs has increased significantly.

- 8.14 In adults social care (ASC) the demand pressures are due to the aging population and in Shropshire this has become particularly challenging with over 30% of residents now over the age of 60 and an increasing number needing support. While some pay for their care, there has been a significant cost to the council. Services for older adults generally have a lower average cost but are provided to a high number of people. There is a further pressure arising from working age adults (18-65 years) where social care provides support – care for working age adults now accounts for approximately half the overall level spending in ASC, which often sees lower numbers of people needing care, but higher average cost of care packages.
- 8.15 To manage these different demand pressures, the council is introducing or enhancing interventions which will help the level of demand coming into the council, by supporting people earlier, differently, and promoting independence. These interventions improve outcomes for those involved and also reduce costs. The aim is to provide the right help (service) at the earliest opportunity, to prevent issues escalating to a point where more support is required.

#### Children's Social Care Transformation Programme

- 8.16 The CSC Transformation Programme has introduced or enhanced projects to reduce demand coming into the council. The 'Best Start in Life' project works with new parents and their families to give them the skills and support to reduce the likelihood of their child becoming in need of care (CIN) or looked after (CLA).
- 8.17 The 'Early Help' project has redesigned our Early Help 'front door' (the 'Early Help Advice and Support Team' or EHAST). It uses Family Support Workers to work with those at risk of escalating to more serious levels of intervention, ensuring that are better supported and protected. While these interventions have been in place for a relatively short period of time, their impact is already being seen. The 'Early Help' project has seen 189 initial contacts confirmed as needing 'no further action' further to receiving more general support and advice, a higher level of cases progressing to an early help period of targeted support. This has led to 78 potential referrals to social care being avoided. This means there more offers of early help and support are reducing escalation into child protection services – a better outcome for both the children and families concerned, and also for the overstretched social work teams at the Council.
- 8.18 Other projects aim at reducing the costs arising through providing care while also improving outcomes for our children and young people. For example, the 'Stepping Stones' project has actively worked with CLA to 'step them down' from residential care and move them into an appropriate foster family or back to their own family, where it is safe to do so.
- 8.19 Similarly, The Fostering project is looking at new and innovative ways to recruit and retain foster carers so that we have sufficient carers to meet the increasing need. In addition, our Residential projects, are creating our own Residential Care Homes to have these options available and available when needed rather than relying on an expensive marketplace. securing a residential care placement for a child in a

commercial residential home can cost more than £250,000 per year. By contrast, the cost of a foster care placement is around one tenth of that cost.

### Managing Demand Pressures in Adults Social Care

- 8.20 Similar approaches are being used in Adult Social Care. Projects in the Adult's Transformation Programme have already achieved over £7m in spending reductions to date, while providing people with improved outcomes.
- 8.21 Adult social care services cover both working age adults (18-65 years) and those aged 65 or more. Working age adults' needs are often around support with learning or physical disability, autism spectrum disorders, other mental health needs, or sensory needs (such as impaired vision or hearing). These services now account for around 50% of all adult social care spend. For those ages 65 or older, services are well understood, including care for those who are increasingly frail, or whose health needs have become more complex in later life. Often, a spell in hospital becomes necessary (due to a simple illness or a fall), and social care services help ensure that the individual is supported as they come out of hospital to return to as much independence as possible, in a setting that they help to determine.
- 8.22 We continue to see high levels of activity through the pathways of care for those being discharged from hospital, often with individuals whose care needs (temporarily or permanently) have become greater – for example, through dementia or nursing care needs.
- 8.23 One of the projects is looking to create a more defined 'front door' by redesigning part of the public-facing website to help people to assess their own needs, making use of local and community-based support in the first instance. This helps us to point people to existing solutions to more quickly meet their needs, maintain their independence, and reduce the overall support they require from the council.
- 8.24 In addition, we have started working with other agencies across the wider health and social care system to introduce a more integrated hospital discharge model, meaning that partners are increasingly working together to better manage discharge from hospital, to proactively identify individuals' needs, and to more appropriately meet those needs.
- 8.25 Another project promoting individual independence focuses on expanding the council's 'reablement' offer. We have improved the current reablement model and made it as efficient as it can be. However, a more fundamental change to that how we operate that model would bring better outcomes and further reduce overall costs. So, a new 'at home' model is being created to pull together all care solutions to allow people to return home quickly and safely (which is what so many tell us is their preferred option). We have already seen higher numbers of people being supported through this pathway which provides better outcomes for our residents and reduced needs following a period of reablement.
- 8.26 This 'at home' approach is also aided by our innovative approach to virtual care delivery and assistive technology. This has already received external funding and is making use of existing and emerging technologies to allow people to retain independence by staying safely at home while reducing the need for more costly support – which many often find unnecessarily intrusive. The pilot of this work has



already provided impressive results and now plans are being put in place to implement it at a larger scale. (For example, assistive technology has helped the immediate family of an individual with high mental health needs to take a holiday, knowing that their other family member remains safe and independent. These types of interventions can also substantially reduce the costs of providing care.)

### All-Age Commissioning

- 8.27 Lastly, the Council is also reviewing the approach taken to commissioning. Previously this has focused on adult social care services, but this is being expanded to support an 'all-age' commissioning model. This project will create an enhanced model of brokering and commissioning care packages in a way which optimises costs and reduces budget pressures while still providing good quality care as and when it is needed.
- 8.28 The demand management plan outline above will deliver a more sustainable budget position in the coming years, however it is acknowledged that this may take time to implement. A key focus at present is how fast we can effectively implement the schemes with the biggest impacts.
- 8.29 Linked to a revised approach to commissioning, work is also in hand to review and revise market sustainability in both adult and child social care.

### Other variations

- 8.30 Social care demand pressures in People Directorate (set out in table 3) are similar to the levels seen in Q1 reporting, and can be attributed to slight changes in the base for the forecast as the year has developed. Other variations are attributable to Home to School Transport, largely the result of increasing numbers of children and young people with an EHCP. Work is in hand to review this and identify an approach to mitigating this pressure.
- 8.31 The c 50% reduction in the overspend forecast in Place Directorate from Q1 (also in table 3) is due to a combination of further spending reductions confirmed, and improvements in the forecast for Concessionary Travel costs and Highways repair costs. As can be seen from the examples below, a clear 'review' of how a service is delivered and financed can yield significant cost improvements while retaining or even improving outcomes for residents. Improvements in the areas of concessionary travel and highways repairs are quicker to identify and deliver. Similar improvements in demand management in social care are anticipated, as set out above.
- 8.32 Concessionary travel costs have been reduced through an improved reimbursement model for bus contractors combined with application of unanticipated DfT grant funding. This means that the same service can be provided to those in receipt of free bus passes but at lower cost to the council. Favourable resolution of a contractor dispute has also enabled a £400k provision held against an unfavourable outcome to be released.
- 8.33 Highways repair costs have been reduced through the introduction of a 'mixed economy' for repair works. As before, the term contractor (Kier) is delivering more complex and more expensive pothole repair work. However, a newly formed in-house team is delivering pothole repairs where it is quicker and cheaper – but no less effective

– to do so. This means that the current rate of pothole reporting remains at around 630 reports per week, but that the rate of repair is higher, at around 850 repairs per week. This means that the backlog of repairs needed across the whole network is reducing, improving the overall useability of the network and reducing complaints.

- 8.34 Further improvements are anticipated from review of the Veolia PFI contract for waste collection and the generation of energy from waste. Under the current contract, the Council is now approaching the threshold at which it will receive a 50% share of the value of energy generated through waste, creating a further income stream. Again, demonstrating that careful review of service delivery can improve overall council efficiency and effectiveness without unduly impacting on the services received by residents.

## **9 Income**

- 9.1 The revenue budget is funded by £255.9m of income including specific government grants and retained local taxation receipts. Grant values are advised in the settlement before the start of the year and are unchanged.
- 9.2 Income through discretionary fees and charges is included in budgets for service area net spending. Appendix 2 provides analysis of the current projection of specific government grant income by directorate, including any new allocations, and highlights the current delivery of income through fees and charges charged in services.

## **10 Spending Reductions**

- 10.1 The spending reduction projections for 2023/24 have been shown as delivery confirmed or delivery to be confirmed (summarised above in table 4, with further detail in Appendix 3). These projections show that 74% of the 2023/24 target reductions have been delivered.

## **11 Reserves**

- 11.1 The 2023/24 budget strategy included a contribution of £19.868m to the General Fund balance which would then reach £26.961m, which is a safer level given the current profile of financial risks. This is shown in the table below, and in appendix 5.
- 11.2 It is anticipated that one off resources will be identified to offset pressures in year while longer term sustainable demand management plans are in place. This will include the review and release of earmarked reserves and a review of grant balances received to try to utilise funds to offset one off pressures, primarily in social care. Without the use of these one off funds, and continued action to deliver the savings programme, the General Fund balance will be substantially depleted.
- 11.3 It is important that the Council maintains the General Fund Balance as assumed within the Medium Term Financial Strategy. Independent advice is that General Fund un-earmarked reserves should equate to 5%-10% of net spending.

Table 5: General Fund Balance

General Fund	£'000
Balance as at 1 <sup>st</sup> April 2023	7,093
Budgeted Contribution in 2023/24	19,868
<b>Budgeted General Fund Balance as at 31<sup>st</sup> March</b>	<b>26,961</b>

- 11.4 The impact across all funds and the associated levels of reserves/surpluses carried forward are set out in table 5 (below). Reserves in the DSG, HRA, and PHG are ringfenced, and so can only be applied in line with the terms of those different grants or accounts.

Table 6: Summary of spending and impacts on reserves and carried forward surpluses for key funds and reserves.

Revenue summary (£m)	General Fund	Dedicated Schools Grant	Housing Revenue Account	Public Health Grant
Forecast expenditure	288.307	48.561	21.844	13.663
Budget	255.914	48.185	21.500	13.663
Forecast (under)/over spend	32.393	0.376	0.344	0
Reserves				
Brought forward	7.093	2.467	12.359	4.3
Added/(used)	19.867 <sup>2</sup>	(0.376)	(0.618)	1.5
Carried forward/ in hand	26.960 <sup>3</sup>	1.806	11.741	2.8

- 11.5 General fund reserves (the general fund balance) is part of the risk mitigation strategy of the council. It provides a flexible 'contingency' reserve – literally, a 'rainy day' fund. It is advisable to hold this reserve at £15m-£30m, depending on the assessment of risk. Based on the values above, a further £5.4m would be required to supplement the General Fund Balance and balance the position within the year. However, as set out in Table 1, additional actions in hand are expected to mitigate this position.
- 11.6 The DSG reserve is the result of surpluses accumulated in prior years. Overall, the DSG is allocated to be spent in-year on schools and educational priorities. Surpluses are carried forward to be used in later years. A DSG in surplus is currently unusual – the SEND reforms of 2014 have led to a rapid increase in EHCPs, which has impacted on the High Needs Block of the DSG. Many Councils currently use the national 'statutory override' position to avoid needing to provide in the general fund for the deficit in the DSG. Balances are also held by schools themselves, although the general fund balances remains the contingency fund of last resort.
- 11.7 The HRA reserves reflects both the overall reserves of the HRA and the business planning of STAR housing. Star currently hold c £6m in reserves accumulated from previous years surpluses. The HRA also holds separate reserves to cover, for example, Major Repairs and future capital investment costs (e.g. for carbon neutral, fire safety, and anti-mould investments). Again, however, the fund of last resort is the general fund.

<sup>2</sup> Based on contribution of £19.867m, set out in the March MTFS p36, and repeated in the October MTFS p9.

<sup>3</sup> Based on the BAU forecast, additional reserves of £5.433m would be required to ensure overall balance in the year. However, it is anticipated that further actions through the remainder of the year will mitigate this.

11.5 The PHG reserve is also the accumulated impact of underspending in previous years (partly due to the interaction of government funding for COVID response work and the scope of the PHG). Due to the impact of COVID funding, it is expected that the current accumulated surplus will be applied in the course of the next 3 years in line with planned and agreed activity within the current PHG regulations and monitored by OHID

## 12 Capital Investment

12.1 The current capital investment programme and actual spend on that is detailed in Table 5 below, including updated projections on financing of the programme. Further detail is provided in Appendix 7.

Table 7: Projected Outturn for the Approved Capital Programme

Directorate	2023/24 Revised Capital Programme (£'000)	2023/24 Actual Spend (£'000)	2023/24 Actual YTD spend as % of Budgeted YTD Spend	2024/25 Capital Programme (£'000)	2025/26 Capital Programme (£'000)
Health and Wellbeing	-	-	-	-	-
People	17,718	3,451	26.8	14,732	5,780
Place	79,895	21,921	27.4	104,114	39,725
Resources	1,042	1	0.06	-	-
<b>Total General Fund</b>	<b>93,837</b>	<b>25,373</b>	<b>27.0</b>	<b>118,846</b>	<b>45,505</b>
Housing Revenue Account	32,826	5,569	17.0	17,125	12,708
<b>Total Capital Programme</b>	<b>126,663</b>	<b>30,942</b>	<b>24.4</b>	<b>135,971</b>	<b>58,213</b>
<b>Financed By:</b>					
Borrowing	31,585			42,155	11,737
Government Grants	54,991			69,174	33,011
Other Grants	2,280			156	44
Other Contributions	8,871			7,933	2,100
Revenue Contributions to Capital	4,125			50	369
Major Repairs Allowance	8,316			4,828	5,000
Capital Receipts	16,494			11,675	5,952
<b>Total Financing</b>	<b>126,662</b>			<b>135,971</b>	<b>58,213</b>

\* Actual financing of the capital programme is determined at year end.

12.2 The current capital programme assumes a level of capital receipts to finance the capital programme. Appendix 8 summarises the current capital receipt position and highlights both opportunities to secure receipts and the risk of increased revenue costs in future years.

12.3 The Capital Strategy identified two large priority schemes, the Riverside Redevelopment<sup>4</sup> in Shrewsbury, and the North West Relief Road, to progress subject to further approval business case preparation and Council approval for this to form part of the Capital Programme. The NWRR is a key part of the transport strategy to support the Riverside Redevelopment.

<sup>4</sup> Initially set up in 2017, the Riverside Redevelopment is part of the wider Shrewsbury Town Centre redevelopment, sometimes call the Big Town Plan. The dedicated website is here: [Shrewsbury Big Town Plan • Shrewsbury Big Town Plan](#)

- 12.4 Over the last month the Riverside Redevelopment has gone out to public consultation, and the outcomes of this will help feed into the final business case for the project. Also, the North West Relief Road progress has been subject to planning permission being achieved, and this was formally agreed on 31 October by the Northern Planning Committee. Further work can now be prepared on these schemes to produce full and detailed business cases for DfT that will help confirm DfT funding and provide the necessary information to consider inclusion in the Council's capital programme in the future.
- 12.5 The 2017 purchase of 3 shopping centres is also related to these schemes (STC and NWRR), being part of the land assembly necessary to facilitate the Riverside Redevelopment, the Big Town Plan, and the transport strategy required to enable all of these.
- 12.6 Taken together, these schemes offer the opportunity to significantly enhance the quality of life in Shrewsbury, making it preferred destination for future tourism, business, and residential accommodation. All of these, in different ways, provide indirect contributions to improvements in the council's finances (through tourist spending, enhanced footfall and business locations, and building houses meeting a range of resident needs).

### **13 Housing Revenue Account (HRA)**

- 13.1 At Quarter 1 (Period 3), the HRA is projecting a minor overspend of £0.344m (1.6% of gross budget) due to reduced projected dwellings rent. This will be carefully monitored during the remainder of the year and action taken to reduce this, however any residual overspend will be financed through the HRA reserve.

### **14 Dedicated Schools Grant**

- 14.1 As with previous years, the final Early Years Block DSG allocation for 2022/23 was published on 20 July. The final allocation of £17.139m which takes account of the January 2023 census figures is £0.229m less than the provisional Early Years DSG Block DSG allocation. The provisional allocation was used to calculate the 2022/23 DSG surplus carried forward, which is now revised to £2.467m.
- 14.2 Of this, £0.285m relates to the 2021/22 and 2022/23 surpluses carried forward on the Schools Growth Fund. This value is earmarked for the Schools Growth Fund in 2023/24 where the Council's Schools Growth fund needs "topping-up" to meet 2023-24 expenditure requirements. This commitment will leave £2.181m 'uncommitted' in the DSG reserve.
- 14.3 As at the end of Quarter 2, there is a forecast in-year deficit for the DSG of £0.376m which will need to be funded by the £2.181m uncommitted reserve, indicating a likely position at 31 March 2024 of £1.806m. The £0.376m in-year deficit is largely caused by the forecast position for the High Needs Block which is an in-year deficit of £0.370m. This is due to a significant forecast overspend against the budget for Independent Special School placements. This has seen a 29% increase in expenditure in 2023-24 compared to the level estimated when the budget was prepared.

- 14.4 There are several explanations for the large increase in expenditure in 2023-24. Firstly, the Council has experienced a sharp increase in demand for Independent Special School placements. This is evidenced by the number of new placements, including more frequent use of independent alternative providers for children who are over 16. This pressure is partly offset by an underspend on the Post 16 education budgets. Secondly, the value, number, and complexity of placements jointly funded between the Council and local NHS partners has also increased ahead of anticipated levels.
- 14.5 While the financial position for 2023-24 is healthy, Schools Forum members have been advised that the position is likely to worsen in the coming years based on current funding and growth assumptions. This outlook is being held under review, and Forum members and Officers are seeking strategies to manage the expected demand in a sustainable way.

## 15 Financial Management

- 15.1 Key indicators of financial management can be examined through the management of routine financial transactions that the Council undertakes.
- 15.2 A key annual indicator is the ability to prepare the statutory accounts in line with the national deadline. This was achieved in the current year, with the pre-audit accounts being submitted for audit on the 31 May. The Council was one of only a few to achieve this, which provides confidence in the quality of the accounting records and the overall level of understanding that the finance team collectively hold.
- 15.3 In paying suppliers, the Council has adopted a no Purchase Order, no pay (“no PO no pay”) process which ensure that transactions are only processed with a valid, authorised purchase order, thereby ensuring prompt payments to suppliers on receipt of invoice. However, current levels of performance are variable between and within service areas.
- 15.4 Another key indicator of financial management is the level of aged debt that the Council is managing. These indicators are tracked over the course of the financial year to monitor progress. The indicators as at Quarter 2 are detailed in Appendix 9.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Financial Strategy 2023/24 – 2027/28, Council

Financial Monitoring Report Quarter 1 2023/24, Cabinet, 6 September 2023

Financial Rules

**Local Member:** All

**Appendices** [Please list the titles of Appendices]

Appendix 1A – 2023/24 Projected Revenue Outturn by Service

Appendix 1B – 2023/24 Detailed Projected Revenue Outturn by Service

Appendix 1C – 2023/24 Projected Revenue Outturn by Portfolio Holder

Appendix 2 – 2023/24 Income Projections

Appendix 3 – Delivery of 2023/24 Savings Proposals

Appendix 4 – Reconciliation of Monitoring Projections to Savings Delivery

Appendix 5 – Amendments to Original Budget 2023/24

Appendix 6 – Reserves 2023/24

Appendix 7 – Projected Capital Programme Outturn 2023/24 – 2025/26

Appendix 8 – Projected Capital Receipts

Appendix 9 – Financial Management Indicators

## APPENDIX 1A

## 2023/24 PROJECTED REVENUE OUTTURN BY SERVICE

Directorate / Service	Forecast Outturn Variance at Q1	Budget at Q2	Forecast Outturn at Q2	Forecast Variance at Q2	Movement from Q1 to Q2	Reasons for Movement
	£'000	£'000	£'000	£'000	£'000	
People	Overall £25.4m budget pressure in People Directorate continues to be driven by higher than anticipated demand for social care services, often with more complex needs. However, this position is after improvement arising from rapid delivery of agreed spending reductions (currently £17.7m). Other linked mitigations include expanded use of Direct Payments to promote autonomy and support people to be at home where possible. This level of demand and cost increase is being experienced across the local government social care sector.					
Children's Social Care and Safeguarding	10,400	51,364	64,464	13,100	2,700	<p>Overall pressure changes from Q1 to Q2 amount to £2.7m increase and are summarised below.</p> <ul style="list-style-type: none"> <li>• £2.376m - External Residential Placements - Increase in External Residential Placements (14 new external placements)</li> <li>• £0.248m - Staffing - Increase agency social workers and social worker retention payments. The service has experienced difficulties in recruiting qualified social workers to vacant posts.</li> <li>• £0.178m - PLO Support Packages, caused by an increase in items ordered by the Court (e.g. medical assessments and social worker assessments)</li> </ul>
Adult Social Care	11,552	129,873	139,574	9,701	(1,851)	<p>Overall pressure changes from Q1 to Q2 represent a £1.9m reduction and are summarised below.</p> <p>Purchasing Costs: net reduction of £1.547m</p> <ul style="list-style-type: none"> <li>• (£2.398m) increase in CHC (NHS) income and improved joint working arrangements.</li> <li>• (£1.414m) increase in one-off grant funding applied (additional Market Sustainability Improvement Grant and Emergency Care Support Grant above previously advised levels)</li> <li>• (£1.211m) forecast increase in income from client contributions reflecting increased activity levels</li> <li>• £3.086m expenditure increase in forecast placement costs. The majority of this is within care homes (£2.372m), but also in the Direct Payments and Domiciliary Care (£0.936m). Increased direct payments and domiciliary care is positive as these are more efficient ways to deliver suitable care and result in more people being supported at home.</li> </ul> <p>Non-purchasing Reduction - (£0.304m)</p> <ul style="list-style-type: none"> <li>• (£0.200m) additional reserves applied</li> <li>• (£0.219m) planned expenditure reduction across Internal Day Services, Four Rivers and START</li> <li>• £0.171m forecasted increase in Passenger Transport Costs (mitigation plans being explored).</li> </ul>
Learning and Skills	181	22,347	22,643	296	115	<ul style="list-style-type: none"> <li>• Home to School Transport costs increased further above budget, due largely to Statutory and Post 16 SEND. Mitigating actions are being developed.</li> </ul>



Directorate / Service	Forecast Outturn Variance at Q1	Budget at Q2	Forecast Outturn at Q2	Forecast Variance at Q2	Movement from Q1 to Q2	Reasons for Movement
	£'000	£'000	£'000	£'000	£'000	
Directorate Management	2,702	553	2,956	2,403	(299)	<ul style="list-style-type: none"> <li>Housing Services have been moved to the Place Directorate, leading to some changes to income, spending, and target savings (£0.151m)</li> <li>5% target reduction in staffing for Early Help now achieved through a (one-off) contribution from Supporting Families Grant Reserve (£0.161m)</li> </ul>
Children's Early Help, Partnerships and Commissioning	25	3,629	3,506	(123)	(148)	<ul style="list-style-type: none"> <li>-£0.056m – Spending reductions now achieved through (one-off) contribution from the Supporting Families Grant Reserve</li> <li>-£0.082m - Increased underspend on Family Hubs Staffing (vacancies extended through Q2 as the service is redesigned)</li> </ul>
<b>People Total</b>	<b>24,860</b>	<b>207,767</b>	<b>233,143</b>	<b>25,377</b>	<b>517</b>	
<b>Place</b>	<b>Overall Q2 position improved by £4.2m (50%) from Q1 due to implementation of spending reductions, some being budget plans for the current year, some arising from new developments or manager actions.</b>					
Commercial Services	670	39,007	41,370	2,363	1,693	<ul style="list-style-type: none"> <li>£4.161m transfer of waste from Highways and Transport,</li> <li>-£0.797m draw down of reserves to help contribute to waste PFI saving in 2023-24 because of the likely delay in achieving the full saving in-year,</li> <li>-£1.200m estimate of likely waste PFI saving to be realised in 2023-24 still being reviewed.</li> <li>-£0.450m use of reserves to cover the delay in achieving Pyrolysis saving in climate change due for delivery in 2024-25.</li> </ul>
Homes and Communities	622	16,883	17,326	443	(179)	<ul style="list-style-type: none"> <li>Increased overspend in Leisure mainly due to the delayed reopening of Quarry Pool, but this is mitigated overall through a range of spending reductions across Communities, Libraries, and Tourism services.</li> </ul>
Economy and Place	1,005	7,440	7,994	554	(451)	<ul style="list-style-type: none"> <li>Overall improvement is driven by £0.351m of vacancy savings and use of reserves, with other improvements in Shopping centres and Building Control.</li> <li>Forecast planning income remains below budget and this is slightly worsened.</li> </ul>
Directorate Management	1,374	(777)	615	1,392	18	<ul style="list-style-type: none"> <li>Net effect of £0.159m increased savings target from People Directorate offset by reduced forecast of controllable spending by £0.130m</li> </ul>
Highways and Transport	4,803	18,329	17,867	(463)	(5,266)	<ul style="list-style-type: none"> <li>£4.161m reduction from virement of waste to commercial services</li> <li>£0.405m benefit from release of transport provision no longer required further to resolution of a transport contractor dispute</li> <li>£0.486m benefit from receipt of additional DfT grants and positive changes to the concessionary travel reimbursement model to providers</li> </ul>
<b>Place Total</b>	<b>8,475</b>	<b>80,882</b>	<b>85,172</b>	<b>4,289</b>	<b>(4,185)</b>	
<b>Resources</b>	<b>Results for Resources directorate are driven by the ongoing overspending in Housing Benefit Subsidy related to Temporary accommodation using B&amp;B provision, which is not fully funded through Housing Benefit. Wider plans to address Temporary Accommodation provision will address this, but will take time to put into place. This is mitigated in part by achievement of reduced staff spending in line with budget plans.</b>					

Directorate / Service	Forecast Outturn Variance at Q1	Budget at Q2	Forecast Outturn at Q2	Forecast Variance at Q2	Movement from Q1 to Q2	Reasons for Movement
	£'000	£'000	£'000	£'000	£'000	
Finance and Technology	1,291	3,040	4,896	1,856	565	HB Subsidy loss increased based on increased requirement at period 4 and again at period 5 based on information on actuals compared to last year and year to date, managed down at period 6 to reflect rate negotiations. Also, element of 5% staff reduction allocation reducing underspend on vacancy management across resources in individual teams to show savings as achieved.
Workforce and Improvement	72	(78)	(27)	50	(22)	Additional vacancy management
Communications and Engagement	97	669	751	82	(15)	Additional vacancy management
Treasury and Pensions	0	109	109	0	0	
Directorate Management	1,922	(963)	16	979	(943)	Allocation of the 5% staff reduction target across services, resulting in remaining overspend relating to Customer experience saving that is currently not delivered.
Legal and Governance	71	319	552	233	162	Movement due to allocation of 5% staff reduction target reducing underspend on vacancy management across resources to individual teams to show savings as achieved. Ongoing budget pressures arising from higher than anticipated activity in both children's and adults social care legal activity and support.
<b>Resources Total</b>	<b>3,452</b>	<b>3,096</b>	<b>6,297</b>	<b>3,200</b>	<b>(252)</b>	
<b>Corporate Budgets</b>	<b>726</b>	<b>(38,505)</b>	<b>(38,960)</b>	<b>(455)</b>	<b>(1,181)</b>	Available cash balances have been higher than anticipated, and bank rates have been higher than anticipated, allowing more favourable results for interest receivable. Cash balances have been higher, in part, due to capital spending progressing slower than anticipated.
<b>Health and Wellbeing</b>	Public Health activity is funded from the (£13m) public health grant, with underspends being carried forward and overspends being offset by brought forward surpluses (hence £0 variance forecast). Regulatory services position now in with budget at Q2.					
Public Health	0	388	388	0	0	
Regulatory Services	63	2,120	2,118	(2)	(65)	Additional vacancy management savings and additional savings through grant funding within the Health and Wellbeing directorate
<b>Health and Wellbeing Total</b>	<b>63</b>	<b>2,508</b>	<b>2,506</b>	<b>(2)</b>	<b>(65)</b>	
<b>Strategic Management Board</b>						
Chief Executive and PAs	14	135	118	(17)	(31)	Additional vacancy management
Programme Management	0	30	30	0	0	NA

Directorate / Service	Forecast Outturn Variance at Q1	Budget at Q2	Forecast Outturn at Q2	Forecast Variance at Q2	Movement from Q1 to Q2	Reasons for Movement
	£'000	£'000	£'000	£'000	£'000	
Strategic Management Board Total	14	165	148	(17)	(31)	NA
Council Total	37,590	255,913	288,306	32,393	(5,197)	

## APPENDIX 1B

### DETAIL BY SERVICE AREA

Directorate	Revised Budget £	Forecast Outturn £	Variance £
People	207,766,670	233,143,206	25,376,536
Place	80,882,260	85,171,525	4,289,265
Health and Wellbeing	2,508,720	2,506,473	(2,247)
Resources	3,095,540	6,296,716	3,201,176
Strategic Management Board	165,310	148,068	(17,242)
Corporate Budgets	(38,504,850)	(38,959,669)	(454,819)
<b>Total</b>	<b>255,913,650</b>	<b>288,306,319</b>	<b>32,392,669</b>

PEOPLE	Full Year			RAGY
	Budget £	Forecast £	Variance £	
<b>Total</b>	<b>207,766,670</b>	<b>233,143,206</b>	<b>25,376,536</b>	<b>R</b>

<b>People Directorate Management</b>	<b>Portfolio Holder Adult Social Care, Public Health and Communities</b>	552,920	2,955,704	2,402,784	<b>R</b>
The £2.403m forecast overspend relates to unachieved savings targets that have been applied organisation wide notably. £2.278m reduction in staffing					
<b>Adult Social Care Business Support and Development</b>	<b>Portfolio Holder Adult Social Care, Public Health and Communities</b>	4,456,060	4,063,102	(392,958)	<b>Y</b>
(£0.392m) forecast underspend within Adult Social Care Business Support team largely due to the following: • (£0.126m) forecast staffing underspend due to vacancy management in line with the savings plan. • (£0.251m) short term funding to support the Transformation work.					
<b>Adult Social Care Management</b>	<b>Portfolio Holder Adult Social Care, Public Health and Communities</b>	1,219,280	842,253	(377,027)	<b>Y</b>
(£0.377m) forecast underspend within Adult Social Care Management breakdown as follows: • (£0.095m) forecast staffing underspend. All posts are now recruited to so the underspend relates to when the posts were vacant in April/May 2023. • (£0.305m) short term funding to support the Transformation work.					
<b>Adult Social Care Provider Services</b>	<b>Portfolio Holder Adult Social Care, Public Health and Communities</b>	4,551,750	4,940,893	389,143	<b>R</b>
Overall Provider Services have a forecast overspend of £0.389m largely due to the £0.377m forecast overspend in START. We have supported capacity within the team and improved recruitment and retention. Although showing as an overspend in this area the impact will reduce the use on more costly services to deliver care and support better outcomes for Shropshire residents.					

<b>Adult Social Care Operations</b>	<b>Portfolio Holder Adult Social Care, Public Health and Communities</b>	119,646,230	129,727,630	10,081,400	<b>R</b>
<p>The overall forecast overspend across Adult Social Care Operations is £10.081m. The purchasing only element of this overspend is £9.774m. The remaining pressure is £0.307m. Breakdown as follows:</p> <p>Purchasing Only +£9.774m:</p> <ul style="list-style-type: none"> <li>•+£11.974m spot purchasing projected overspend. This pressure is split across base budget, where numbers of service users and cost of placements are higher than anticipated at budget setting, however we have seen an overall reduction from the 1st April. Continued achievement of savings in this area will reduce numbers and costs improving the overall position. We have seen an increase in nursing care, highlighting a complexity in people's needs from the community and through the hospital discharge pathways. We have also seen more packages of care commissioned within peoples' homes, resulting positively on reduced waiting lists however costs have increased due to improved wait times. Work is on-going with the market to manage the increased costs of care. Finally, we have seen further pressures due to the continued need to support hospital discharges and short-term care provision which has resulted in higher costs. One-off Grant funding has been applied to offset some of these pressures and the Reablement Transformation is in progress with system engagement.</li> <li>•+£3.092m overspend on new and increased supported living packages. This overspend also includes a targeted £1.000m savings target and is driven by the level of complexity of service users' needs. Work is underway to remodel the service to better meet those needs.</li> <li>•(£3.300m) anticipated over achievement of client contributions to care costs. As per the pressure on expenditure, due to greater number of individuals being supported than budgeted for, we are showing an increase income.</li> <li>•(£1.992m) over achievement of forecasted Continuing Healthcare joint funded packages costs due to improved joint working with system partners.</li> </ul>					
<b>Children's Social Care and Safeguarding</b>	<b>Portfolio Holder Children and Education</b>	51,364,220	64,462,622	13,098,402	<b>R</b>
<p>The budget pressure in Children's Services is fundamentally driven by activity being significantly higher than was anticipated when the budget was prepared. The service is adopting a number of strategies to address the current budget pressures, particularly around residential placements e.g Stepping Stones Project and increasing internal foster care capacity. There is acknowledgement that demand has increased significantly over the last few years so there is emphasis on preventing demand into the social care system early through family support. This is being progressed through the "Best Start in Life", "Integration" and "Early Help Transformation" projects.</p> <ul style="list-style-type: none"> <li>• £8.241m overspend on residential and fostering placement costs, with the external residential placements forecast budget pressure currently forecast to be £6.431m reflecting 57 external residential spot/framework placements as at the end of September. The sharp increase in in the number of residential spot/framework placements in 2022/23 means that the number of children in this type of placement far exceeds the budgeted number in 2023/24. Although the increase in external residential spot/framework placements did stabilise in quarter 1, the service experienced an increase of 14 new external residential spot/framework placements which included 2 large sibling groups.</li> <li>• £1.093m overspend relating to other costs such as transport recharges and taxi costs (£0.462m), childcare payments, parenting assessments and interpreting fees. These costs have increased in line with the increase in demand.</li> <li>• £1.624m overspend on staffing due to agency social workers covering staff vacancies, sickness leave and maternity leave (recruitment and retention in children's social work staffing is a nationally recognised issue). This figure includes a £0.332m budget pressure from an additional capacity Social Work Team/Court Team that was brought in temporarily to cope with increased demand. The forecast also includes an assumed £0.867m of posts to be capitalised as working on transformational projects.</li> <li>• £0.558m overspend in the Disabled Children's Team (excluding staffing). £0.322m of this overspend relates to bespoke, short term care packages of prevention and support for disabled children and £0.240m relates to direct payments for disabled children. There has been a significant increase in demand, evidenced by a 300% increase in referrals. As well as an increase in the numbers of children requiring support, there has been an increase in the number of support hours per child, which indicates an increase in complexity.</li> <li>• £0.521m overspend relates to PLO Support Packages budget where demand for expenditure relating to court-ordered items such as legal costs and medical assessments has increased.</li> </ul>					

- £0.398m overspend in the Leaving Care Team (excluding staffing). £0.322m of this overspend relates to accommodation costs for care leavers and allowances paid to care leavers, reflecting an increase in the number of children staying in relatively high cost supported accommodation placements beyond their 18th birthday. The remaining £0.076m relates to discretionary Council Tax relief for care leavers.
- £0.287m overspend in Adoption Services. £0.136m relates to Adoption Allowances, where there has been a significant increase in 2022/23 and 2023/24. £0.146m overspend is forecast against the budget for intra agency adoption placements reflecting the trend across the region of more children being placed with voluntary adoption agencies.
- £0.270m relates to the "Target Operating Model - Getting Leadership Right" savings target. The service are currently using "one-off" savings in other areas to achieve this savings target, however further work is required to determine how to achieve this savings target on an ongoing basis.

<b>Children's Early Help, Partnerships and Commissioning</b>	<b>Portfolio Holder Children and Education</b>	3,629,480	3,506,084	(123,396)	Y
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The majority of the underspend (£0.119m) is due to delays in recruiting staff to vacancies within the Early Help Family Hubs. The remaining underspend relates to premises related costs such as rates and building rental charges and other supplies and services

<b>Learning and Skills</b>	<b>Portfolio Holder Children and Education</b>	22,346,730	22,643,504	296,774	A
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£0.349m of overspend at Q2 relates to the Home to School Transport budget. The overspends mostly relate to a larger number of routes/journeys paid for, particularly in the SEND Transport budget areas. This trend continues the budget pressures experienced in 2022/23. The service are confident that the changes put in place regarding alternative provision transport will deliver the £0.202m cost reduction in this financial year and contribute to the £0.100m cost reduction on wider SEND Transport.

PLACE	Full Year			RAGY
	Budget £	Forecast £	Variance £	
<b>Total</b>	<b>80,882,260</b>	<b>85,184,742</b>	<b>4,302,482</b>	<b>R</b>

<b>Director of Place</b>	<b>Portfolio Holder Housing and Assets</b>	(776,760)	615,093	1,391,853	R
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Projected overspend of £1.515m relating to undelivered TOM staffing budget turnover and wastage increase by 5% (year-end review) savings. Increased by £0.159m due to the transfer of Housing savings target in P6. Some of this may be achievable in year by higher than 3% vacancy factor. -£0.130m saving anticipated from supplies and services budgets across the Place Directorate.

<b>Assistant Director Commercial Services</b>	<b>Portfolio Holder Housing and Assets</b>	62,960	176,659	113,699	R
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Projected overspend of £0.111m relating to undelivered Getting Leadership Right savings, work is being done to plan for these savings.

<b>Corporate Landlord, Property and Development</b>	<b>Portfolio Holder Housing and Assets</b>	3,303,460	3,312,646	9,186	G
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Reserves are being used to offset an unachievable savings target associated with generating income from the Guildhall. There is also a pressure created from movement of tenants in three operational buildings being Shirehall, Ptarmigan and Mount McKinley, work is being done in year to fill these vacancies and income shortfall is being offset by in-year savings. There is also a current in year pressure at Bishops Castle Business Park (£0.205m) due to low tenancy levels, this is being offset with one-off in-year savings. A further risk to Corporate Landlord is that a large tenant is currently in administration, projections for rental income are currently being assumed as paid in full for 6 months of 23/24 however there is a further risk amounting to £0.130m for Corporate Landlord if these invoices raised are not paid.

<b>Commercial Services Business Development</b>	<b>Portfolio Holder Housing and Assets</b>	101,650	134,846	33,196	G
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There is a current projected income shortfall against Business Development schemes due to the Business Development Officer spending significant amounts of time supporting transformation programme work in the People directorate to deliver savings in their service areas.

<b>Climate Change</b>	<b>Deputy Leader and Portfolio Holder</b>	8,950	8,926	(24)	Y
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	<b>Climate Change, Environment and Transport</b>				
There is a £0.411m savings target from a previous MTFs that has been assigned to the Climate Change budget to be delivered via carbon reduction projects. A paper went to council in September 2023 to approve a carbon reduction project which will contribute to this saving however this will not be achieved until future years. A draw on reserves is being used to cover this for 23/24. Delays in the delivery of the Maesbury Solar Farm project results in a further £0.125m unachieved saving, this is being offset by underspends within the climate change team for 23/24.					
<b>Shire Services</b>	<b>Portfolio Holder Housing and Assets</b>	1,667,130	1,713,420	46,290	G
The Catering service is currently projecting an overspend of £0.011m and cleaning an overspend of £0.035m. A staffing restructure across the service has been implemented but full year benefits will not be achieved until 2024-25.					
<b>Assistant Director Economy &amp; Place</b>	<b>Portfolio Holder Growth and Regeneration</b>	175,730	304,241	128,511	R
Projected overspend of £0.103m relating to undelivered Getting Leadership Right savings, work is being done in year to plan for these savings and cost of office alterations in Darwin Centre.					
<b>Planning Services</b>	<b>Portfolio Holder Planning and Regulatory Services</b>	1,183,730	1,733,871	550,141	R
A reduction in the forecast income for planning applications and land charges (search) income. The number of major Planning Applications submitted in 2023/24 is lower than that of 2022/23, this is a trend seen by other Local Authorities. 46 major planning applications received up to the end of quarter 2 in 2023-24 compared to 66 received in the same period of 2022-23.					
<b>Economic Growth</b>	<b>Portfolio Holder Growth and Regeneration</b>	1,435,520	1,373,988	(61,532)	Y
Projected underspend relates to savings on vacancy management and grant income					
<b>Broadband</b>	<b>Portfolio Holder Culture and Digital</b>	189,760	148,403	(41,357)	Y
Staffing savings resulting from a reduction in hours.					
<b>Policy and Environment</b>	<b>Portfolio Holder Planning and Regulatory Services</b>	2,147,380	2,129,662	(17,718)	Y
Projected underspend relates to savings on vacancy management.					
<b>Shrewsbury Shopping Centres (Commercial)</b>	<b>Portfolio Holder Growth and Regeneration</b>	(234,570)	(219,381)	15,189	G
Minor variance from budget as at Period 6.					
<b>Shrewsbury Shopping Centres (Development)</b>	<b>Portfolio Holder Growth and Regeneration</b>	393,970	346,375	(47,595)	Y
Minor variance from budget as at Period 6.					
<b>Assistant Director Homes and Communities</b>	<b>Portfolio Holder Housing and Assets</b>	(156,410)	(7,830)	148,580	R
Projected overspend of £0.175m relating to undelivered GLR savings, work is being done to plan for these savings offset by other small variances.					
<b>Housing Development and HRA</b>	<b>Portfolio Holder Housing and Assets</b>	109,890	80,884	(29,006)	Y
Minor variance from budget as at Period 6.					
<b>Housing Services</b>	<b>Portfolio Holder Housing and Assets</b>	4,303,350	4,701,506	398,156	R
Housing Services have worked hard to reduce the numbers in B&B currently 101, as well as driving down accommodation costs for each placement. Current pressure on B&B and Temporary accommodation, including staffing teams is projected to be £0.361m. This work is ongoing alongside a number of temporary accommodation projects in the pipeline. Further to this,					

costs have been reduced for a range of support services, and a restructure is now planned to deliver staffing efficiencies. Current Assistive Equipment and Technology is projected to overspend by £0.201m in year, currently being offset by various other smaller overspends in Housing.					
<b>Bereavement Services</b>	<b>Portfolio Holder Planning and Regulatory Services</b>	(233,800)	(235,145)	(1,345)	Y
Minor variance from budget as at Period 6.					
<b>Registrars and Coroners</b>	<b>Portfolio Holder Planning and Regulatory Services</b>	679,530	620,678	(58,852)	Y
There is a projected underspend of £0.059m at Period 6 for Registrars and Coroners. The projected overspend on Shropshire Coroners of £0.043m will be offset against an underspend on Registrars of 0.102m due to increased projected income.					
<b>Business and Consumer Protection</b>	<b>Portfolio Holder Planning and Regulatory Services</b>	2,344,530	2,196,297	(148,233)	Y
There is a projected underspend of £0.148m at Period 6 for Business and Consumer Protection, this is due to current vacancies that are being addressed.					
<b>Head of Culture, Leisure &amp; Tourism</b>	<b>Portfolio Holder Culture and Digital</b>	730,420	488,223	(242,197)	Y
There is a projected underspend of £0.242m at Period 6 for Head of Culture, Leisure & Tourism, this is due to the CLT restructure and the delay in recruitment to current vacancies in order to offset overspends in other CLT areas.					
<b>Culture, Leisure &amp; Tourism Development</b>	<b>Portfolio Holder Culture and Digital</b>	25,160	15,670	(9,490)	Y
Minor variance from budget as at Period 6.					
<b>Shropshire Hills AONB</b>	<b>Portfolio Holder Culture and Digital</b>	82,200	82,200	(0)	Y
No variance from budget as at Period 6.					
<b>Outdoor Partnerships</b>	<b>Portfolio Holder Culture and Digital</b>	1,374,870	1,424,402	49,532	G
Minor variance from budget as at Period 6.					
<b>Leisure</b>	<b>Portfolio Holder Culture and Digital</b>	2,290,930	2,802,227	511,297	R
The projected overspend in Leisure mainly covers three areas: Budget allocation not covering required running costs of Council managed facilities (£0.123m) CLT are monitoring this and it is improving post COVID - We are looking at future management arrangements for all SC managed leisure centres, increased energy costs of SCLT contract (£0.072m) and income compensation whilst the main pool at The Quarry remains closed (£0.244m), plus other repairs and maintenance issues. CLT Services will address these pressures through delaying recruitment of key staff in the new structure, year one savings from closure of Acton Scott Historic Working Farm, identified reserves, overperformance of income on Theatre Services and exploring opportunities to apply grant funding. Leisure visits in Period 1-6 of 2023-24 are up 1% compared to the same period last financial year (528,879 compared to 524,038) across Shropshire.					
<b>Libraries</b>	<b>Portfolio Holder Culture and Digital</b>	3,582,670	3,589,692	7,022	G
Minor variance from budget as at Period 6. Library visits in Period 1-6 of 2023-24 are up 12% compared to the same period last financial year (341,036 compared to 303,949) across Shropshire. Library events attendance in Period 1-6 of 2023-24 are up 71% compared to the same period last financial year (38,258 compared to 22,409) across Shropshire.					
<b>Museums and Archives</b>	<b>Portfolio Holder Culture and Digital</b>	1,342,190	1,215,557	(126,633)	Y
There is a projected underspend of £0.127m at Period 6 for Museums & Archives. This is due to a saving against Acton Scott for the repayment of an invest to save loan not required until next year (£0.139m), additional income projections from activities & grants of (£0.032m) offset by reduced projected income for Museum Learning of £0.045m.					
<b>Theatre Services</b>	<b>Portfolio Holder Culture and Digital</b>	407,620	351,704	(55,916)	Y
Overall services forecast to generate additional (net) income.					
<b>Assistant Director Highways and Transport</b>	<b>Portfolio Holder Highways and Infrastructure</b>	128,060	302,660	174,600	R



Projected overspend of £0.175m relating to undelivered Getting Leadership Right savings, work is being done to plan for these savings					
<b>Environment and Transport</b>	<b>Deputy Leader and Portfolio Holder Climate Change, Environment and Transport</b>	2,148,250	2,177,080	28,830	G
Continued High Street Pedestrianisation measures, offset by grant and savings					
<b>Highways</b>	<b>Portfolio Holder Highways and Infrastructure</b>	18,200,810	17,562,973	(637,837)	Y
Use of transport grants and release of transport provision (no-longer required).					
<b>Waste Management</b>	<b>Deputy Leader and Portfolio Holder Climate Change, Environment and Transport</b>	33,863,080	36,037,217	2,174,137	R
Includes £4.125m outstanding Waste PFI saving, some of which is expected to be found in-year, delivery plans are in place as well as looking at the remainder of the saving to be achieved in future years.					

HEALTH AND WELLBEING	Full Year			RAGY
	Budget £	Forecast £	Variance £	
<b>Total</b>	<b>2,508,720</b>	<b>2,506,473</b>	<b>(2,247)</b>	<b>Y</b>

<b>Regulatory Services</b>	<b>Portfolio Holder Highways and Regulatory Services</b>	2,120,740	2,118,493	(2,247)	Y
Minor variance at Q2. The remaining outstanding MTFS saving of £0.098m have been met by one off in year savings.					
<b>Ring Fenced Public Health Services</b>	<b>Portfolio Holder Adult Social Care, Public Health and Communities</b>	387,980	387,980	0	Y
The directorate held £4.215m as ring fenced Public Health reserve at 1 April 23 and plans to use £1.510m of this in the year, the directorate has clear plans for the use of the balance of this reserve over the subsequent three years. The directorate also utilised specific grant funding of £1.669m to enhance its public health activities. The use of reserves and additional grants means that this areas activities are 124% of the annual Public Health Grant.					

RESOURCES	Full Year			RAGY
	Budget £	Forecast £	Variance £	
<b>Total</b>	<b>3,095,540</b>	<b>6,296,716</b>	<b>3,201,176</b>	<b>R</b>

<b>Resources Management Team</b>	<b>Portfolio Holder Finance and Corporate Resources</b>	(963,430)	15,892	979,322	R
Currently there are expected to be unachieved savings targets of £0.979m, plans to make these savings achievable are currently being investigated.					
<b>Policy and Governance</b>	<b>Portfolio Holder Finance and Corporate Resources</b>	(80,090)	2,811	82,901	A
There are unachieved savings targets relating to service redesign.					
<b>Automation and Technology</b>	<b>Portfolio Holder Culture and Digital</b>	80,110	25,747	(54,363)	Y
Savings are forecast in year from a combination of contract management, efficiencies across supplies and services, and vacancy management.					

<b>Finance</b>	<b>Portfolio Holder Finance and Corporate Resources</b>	2,447,280	3,131,055	683,775	<b>R</b>
There are unachieved savings targets relating to efficiency reviews and Getting Leadership Right targets, these are partly offset by savings efficiencies across supplies and services, and vacancy management.					
<b>Housing Benefits</b>	<b>Portfolio Holder Finance and Corporate Resources</b>	512,130	1,739,130	1,227,000	<b>R</b>
Currently there are unachieved savings targets of £1.000m this is from a reduction in housing benefit subsidy loss from accommodating people in B&B accommodation to prevent homelessness, currently this saving is undeliverable, however solutions are being investigated as to how this can be moved forwards by housing.					
<b>Business Improvement: Data, Analysis and Intelligence</b>	<b>Portfolio Holder Culture and Digital</b>	65,670	37,633	(28,037)	<b>Y</b>
In year savings of (£0.028m) are expected from vacancy management on a one-off basis.					
<b>Human Resources and Organisational Development</b>	<b>Portfolio Holder Finance and Corporate Resources</b>	(143,540)	(65,107)	78,433	<b>A</b>
Currently there are expected to be unachieved savings targets of £0.117m regarding Getting Leadership Right targets yet to have delivery confirmed, plans to make these savings achievable are currently being investigated. There are also SLA income pressures identified within the service of £0.153m these have been partly offset by savings from planned vacancy management and anticipated additional income generated within Health and Safety on a one-off basis.					
<b>Risk Management</b>	<b>Portfolio Holder Finance and Corporate Resources</b>	240	(360)	(600)	<b>Y</b>
Minor variance from budget as at Period 6.					
<b>Scrutiny</b>	<b>Portfolio Holder Finance and Corporate Resources</b>	79,250	105,747	26,497	<b>G</b>
The staff turnover target of 3% will not be delivered in year within the Scrutiny team, this is however offset by vacancy management savings across the Resources directorate.					
<b>Commissioning Development and Procurement</b>	<b>Portfolio Holder Finance and Corporate Resources</b>	(221,360)	(230,355)	(8,995)	<b>Y</b>
Minor variance from budget as at Period 6.					
<b>Legal Services</b>	<b>Portfolio Holder Finance and Corporate Resources</b>	(240,920)	(48,610)	192,310	<b>R</b>
Unexpected turnover within Legal Services generating additional vacancy savings, has been offset by the requirement to cover posts via more expensive agency, and locum costs especially in relation to covering legal child care. There are also unachieved savings targets relating to Getting Leadership Right targets, legal disbursement reductions and service redesign.					
<b>Democratic Services</b>	<b>Portfolio Holder Finance and Corporate Resources</b>	196,960	157,095	(39,865)	<b>Y</b>
There are expected to be savings from across members services in relation to supplies and services.					
<b>Elections</b>	<b>Portfolio Holder Finance and Corporate Resources</b>	584,820	565,625	(19,195)	<b>Y</b>
Minor variance from budget as at Period 6.					
<b>Pensions</b>	<b>Portfolio Holder Finance and Corporate Resources</b>	109,060	109,429	369	<b>G</b>
Minor variance from budget as at Period 6.					
<b>Communications &amp; Engagement</b>	<b>Leader and Portfolio Holder Policy and</b>	669,360	750,984	81,624	<b>A</b>

	<b>Strategy, Improvement and Communications</b>				
The savings around reducing the opening hours of Customer Service Centre have been delivered on a one-off basis in year, however there are unachieved savings of £0.123m in relation to securing CCTV partner funding, and Getting Leadership Right targets yet to have delivery confirmed, offset in part by turnover within service area.					

STRATEGIC MANAGEMENT BOARD	Full Year			RAGY
	Budget £	Forecast £	Variance £	
<b>Total</b>	<b>165,310</b>	<b>148,068</b>	<b>(17,242)</b>	<b>Y</b>

	<b>Leader and Portfolio Holder Policy and Strategy, Improvement and Communications</b>				
<b>Chief Executive &amp; PAs</b>		135,030	117,788	(17,242)	Y
Minor variance from budget as at Period 6.					
	<b>Leader and Portfolio Holder Policy and Strategy, Improvement and Communications</b>				
<b>Programme Management</b>		30,280	30,280	0	G
No variance from budget as at Period 6.					

CORPORATE BUDGETS	Full Year			RAGY
	Budget £	Forecast £	Variance £	
<b>Total</b>	<b>(38,504,850)</b>	<b>(38,959,669)</b>	<b>(454,819)</b>	<b>Y</b>

	<b>Portfolio Holder Finance and Corporate Resources</b>				
<b>Corporate Budgets</b>		(38,504,850)	(38,959,669)	(454,819)	Y
<p>Assumed £2.050m of Organisation Wide TOM savings are unachieved, and £0.214m unachieved PFI savings, in year pressure from external audit fees of £0.037m.</p> <p>These are offset by combined savings of (£0.097m) against non-distributable costs and corporate subscriptions, (£1.512m) from interest receivable and payable, these estimates are based on current forecasts around the Bank of England base rates and the value of investment balances, however recent Bank of England base rate increases will have an impact on borrowing rates going forward; i.e. it will be more expensive to borrow. The interest payable budget does not include any new external borrowing. The interest payable budget includes the current fixed term debt charges only.</p> <p>There are also savings in year from MRP one off savings of (£0.592m), and (£0.572m) capital receipts set aside saving (one-off) for 23/24.</p>					

## APPENDIX 1C

### 2022/23 PROJECTED REVENUE OUTTURN BY PORTFOLIO HOLDER

Portfolio Holder	Revised Budget*	Forecast Outturn	Variance
	£'000	£'000	£'000
Portfolio Holder Adult Social Care, Public Health and Communities	130,814	142,918	12,103
Portfolio Holder Children and Education	77,340	90,614	13,273
Deputy Leader and Portfolio Holder Climate Change, Environment and Transport	36,020	38,223	2,203
Portfolio Holder Finance and Corporate Resources	(36,224)	(33,477)	2,747
Portfolio Holder Housing and Assets	8,615	10,714	2,099
Portfolio Holder Planning and Regulatory Services	8,242	8,564	322
Portfolio Holder Highways and Infrastructure	18,329	17,866	463
Portfolio Holder Growth and Regeneration	1,771	1,805	35
Portfolio Holder Culture and Digital	10,172	10,181	10
Leader and Portfolio Holder Policy and Strategy, Improvement and Communications	835	899	64
<b>Total</b>	<b>255,914</b>	<b>288,307</b>	<b>32,393</b>

## APPENDIX 2

### 2023/24 INCOME PROJECTIONS

#### Specific Government Grants

The revenue budget for 2023/24 includes specific Government Grants of £266.430m. The majority of these budgets will be based on known allocations that the Government has announced for Shropshire Council. However during the course of the financial year, the Council will also bid for additional grant funding to support activities and so the value of Government Grants received in the financial year may be different to the budgeted figure. An analysis of specific Government Grants is provided in the table below:

Government Grants		Revised Budget £'000	Forecast Outturn £'000	Variance £'000
<b>People</b>				
	Dedicated Schools Grant	(110,186)	(110,186)	0
	Pupil Premium Grant	(7,186)	(7,186)	0
	Asylum Seekers	(2,042)	(2,887)	(845)
	Improved Better Care Fund	(1,967)	(1,967)	0
	Adult Social Care Discharge Fund	(1,663)	(3,783)	(2,120)
	Other Grants**	(5,673)	(5,218)	455
<b>Total People Grants</b>		<b>(128,717)</b>	<b>(131,227)</b>	<b>(2,510)</b>
<b>Place</b>				
	Waste - PFI	(3,186)	(3,186)	0
	Homes for Ukraine	(1,376)	(2,459)	(1,083)
	Other Grants	(3,704)	(6,648)	(2,944)
<b>Total Place Grants</b>		<b>(8,266)</b>	<b>(12,293)</b>	<b>(4,027)</b>
<b>Health and Wellbeing</b>				
	Public Health Grant	(13,192)	(13,192)	0
	Other Grants	(216)	(1,810)	(1,594)
<b>Total Health and Wellbeing Grants</b>		<b>(13,408)</b>	<b>(15,002)</b>	<b>(1,594)</b>
<b>Resources</b>				
	Mandatory Rent Allowances: Subsidy	(38,000)	(37,648)	352
	Rent Rebates: Subsidy	(7,902)	(7,902)	0
	Other Grants	(815)	(926)	(111)
<b>Total Resources Grants</b>		<b>(46,717)</b>	<b>(46,476)</b>	<b>241</b>
<b>Strategic Management Board</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Corporate Budgets</b>				
	Social Care Support Grant	(21,547)	(21,547)	0
	Business Rate Retention Scheme – s31 Grants	(21,521)	(21,521)	0
	Improved Better Care Fund	(9,896)	(9,896)	0
	Rural Service Delivery Grant	(7,757)	(7,757)	0
	Market Sustainability and Fair Cost Fund	(3,264)	(3,264)	0
	Core Spending Power Services Grant	(2,066)	(2,066)	0
	New Homes Bonus	(1,748)	(1,748)	0
	Other Grants	(1,523)	(1,523)	0
<b>Total Corporate Budgets</b>		<b>(69,322)</b>	<b>(69,322)</b>	<b>0</b>
<b>TOTAL</b>		<b>(266,430)</b>	<b>(274,320)</b>	<b>(7,890)</b>

## Income from Fees and Charges

The forecast income from discretionary sales, fees and charges is showing a projected shortfall, mainly relating to trading and rental income within Commercial Services, and parking income within Highways and Transport. This has been partially offset by additional income within Learning and Skills, particularly in relation to Home to School transport. Further work will be undertaken within the services with an income shortfall to generate additional income to offset these projected shortfalls, or expenditure will be reduced accordingly.

<b>Fees and Charges Income</b>	<b>Revised Budget £'000</b>	<b>Forecast Outturn £'000</b>	<b>Variance £'000</b>
<b>People</b>			
Directorate Management	0	0	0
Adult Social Care Management	0	0	0
Adult Social Care Business Support & Development	(2,531)	(2,661)	(130)
Adult Social Care Provider Services	(224)	(202)	21
Adult Social Care Operations	(39)	(1)	38
Children's Social Care and Safeguarding	0	0	0
Children's Early Help, Partnerships and Commissioning	0	(3)	(3)
Learning and Skills	(1,477)	(2,190)	(712)
<b>People Total</b>	<b>(4,271)</b>	<b>(5,057)</b>	<b>(786)</b>
<b>Place</b>			
Directorate Management	0	0	0
Commercial Services	(13,156)	(12,357)	799
Economy and Place	(3,977)	(3,944)	33
Homes and Communities	(9,888)	(10,575)	(686)
Highways and Transport	(9,507)	(8,459)	1,047
<b>Place Total</b>	<b>(36,528)</b>	<b>(35,335)</b>	<b>1,193</b>
<b>Health and Wellbeing</b>			
Directorate Management	0	0	0
Public Health - Non Ringfenced	(120)	(66)	54
Public Health - Ringfenced	(930)	(1,008)	(78)
<b>Health and Wellbeing Total</b>	<b>(1,050)</b>	<b>(1,074)</b>	<b>(24)</b>
<b>Resources</b>			
Directorate Management	0	0	0
Workforce and Improvement	(559)	(433)	126
Finance and Technology	(1,672)	(1,639)	33
Legal and Governance	(116)	(137)	(21)
Communications and Engagement	(170)	(91)	79
Pensions	(21)	(7)	14
<b>Resources Total</b>	<b>(2,538)</b>	<b>(2,308)</b>	<b>231</b>
<b>Strategic Management Board</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Corporate Budgets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>(44,388)</b>	<b>(43,774)</b>	<b>614</b>

## APPENDIX 3

### DELIVERY OF 2023/24 SAVINGS PROPOSALS

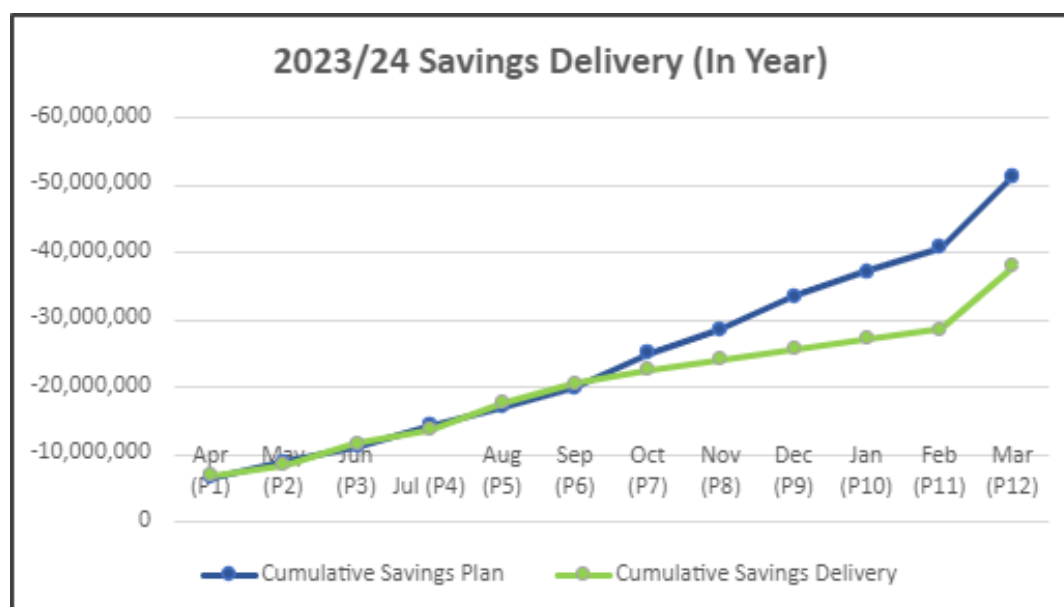
#### 2.1 Summary

The savings projections for 2023/24 are being tracked monthly with savings delivery being mapped against projected delivery during the course of the year.

The table below summarises the position as at 30<sup>th</sup> September 2023. Delivered savings are those that are forecasted to be delivered by the end of the financial year.

Directorate	Delivered (£'000)	Savings Still to be Delivered (£'000)	Total (£'000)
People	(17,755)	(3,550)	(21,304)
Place	(12,331)	(4,610)	(16,942)
Health and Wellbeing	(653)	(0)	(653)
Resources	(3,070)	(2,957)	(6,027)
Corporate Budgets	(4,200)	(2,264)	(6,464)
<b>Total Savings</b>	<b>(38,009)</b>	<b>(13,381)</b>	<b>(51,390)</b>

The graph below plots the cumulative savings plan and cumulative savings delivery over the Financial Year.





As per MTF5 - 2 March 2023		2023/24 DELIVERY @ Q2				
Savings Reference	Description of Saving	Green - Achieved	Green - Will be achieved	Amber	Red	Total
POL05	Installation of battery units at Shirehall and Theatre Severn to store electricity generated from rooftop photovoltaic cell installations, to support reduced local energy use from the Grid and more locally generated energy, and to replace 'selling back' energy to the Grid.	0	-75,000	0	0	-75,000
POL06	Reduce small grant funding to local groups	-25,000	0	0	0	-25,000
POL07	Review of collection charges for bulky waste	-15,000	0	0	0	-15,000
POL08	Savings in the Museum Service	0	0	0	0	0
<b>TOTAL Policy Choice - Place</b>		<b>-40,000</b>	<b>-75,000</b>	<b>0</b>	<b>0</b>	<b>-115,000</b>
EFF44	Review PFI contract costs to secure greater efficiency	-958,500	0	-1,200,000	-2,127,740	-4,286,240
EFF101	Target Operating Model - staffing budget turnover and wastage increase by 5% (year-end review).	0	0	0	-1,506,970	-1,506,970
EFF105	Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management	0	0	0	-595,230	-595,230
EFF18	Decreased use of B&B accommodation as temporary accommodation for 2022/23 (including associated costs) in view of current action to reduce or divert demand.	0	0	0	-344,000	-344,000
EFF51	Shopping Centres - Pride Hill and Riverside base budget reduced as not required once the demolition works begin. To be reinstated in 2026-27	-265,450	0	0	0	-265,450
EFF46	Increased charges for car parking including changes to permit schemes and some reduction in concessions.	-728,272	0	-1,271,728	0	-2,000,000
EFF60	Increased income generation by Register Office	0	-60,000	0	0	-60,000
EFF61	Registrars and Estates increased income	0	-25,000	-25,000	0	-50,000
EFF66	Increased income generation within Museums and Archives	-4,165	-5,835	0	0	-10,000
EFF45	Charge staffing costs to capital budgets where possible and appropriate (capital project support or transformation of revenue services).	-94,710	-1,924,600	0	0	-2,019,310
EFF49	Removal of budgets for vacant posts (avg. 3%)	-628,792	-190,058	0	0	-818,850
EFF48	Review application of grant funding.	-976,000	0	0	0	-976,000
EFF50	Fees and charges increased in line with cost inflation.	-231,594	-194,467	0	0	-426,060
EFF55	Revised service structure for Communities, Leisure and Tourism functions.	-105,000	0	0	0	-105,000
EFF17	Review of support contracts	-250,000	-96,620	0	0	-346,620
EFF58	Review of housing costs and attribution to general fund functions versus attribution to Housing Revenue Account.	0	-80,000	0	0	-80,000
EFF09	Removal of budgets for vacant posts (avg. 3%)	-85,461	8,441	0	0	-77,020
EFF28	Increase private sector housing fees	-33,409	-66,591	0	0	-100,000
EFF26	Use external grant funding to support staff costs	-71,824	-64,856	0	0	-136,680
EFF56	Revise Shire Services cleaning contracts to improve efficiency and reduce net costs.	-57,810	-42,190	0	0	-100,000
EFF59	Review of youth centres and other accommodation used for youth activities	-32,830	0	0	-36,470	-69,300
EFF64	Enhanced income through use of Planning Performance Agreements and increased fees	0	-25,000	0	0	-25,000
EFF36	Optimise Occupational Therapy service delivery by ending 'just checking' contract.	-15,000	-15,000	0	0	-30,000
EFF47	Once-only use of adverse weather reserves while other savings plans are put into place.	-1,561,000	0	0	0	-1,561,000
EFF52	Reshape Planning Services to become closer to cost neutral by 2025/26	-200,000	0	0	0	-200,000
EFF24	Review the Independent Living Service to ensure value for money.	-150,000	0	0	0	-150,000
EFF53	Public Health funding to increase health improvement benefits through leisure services.	-140,000	0	0	0	-140,000
EFF54	Repurposing unclaimed developer bonds.	-125,000	0	0	0	-125,000
EFF57	Increased efficiency in drainage maintenance operations	-100,000	0	0	0	-100,000
EFF33	Improve value for money of housing security provision	-74,000	0	0	0	-74,000
EFF62	Recovery of insurance costs (prev. agreed)	-30,000	0	0	0	-30,000
EFF63	Recovery of insurance costs (additional to EFF62)	-30,000	0	0	0	-30,000
EFF65	Enhanced income through the commercial activities in the Natural and Historic Environment Team.	-30,000	0	0	0	-30,000
EFF77	Change to staff charges to CDL/Cornovii (reduced charges to CDL, increased costs to the Council)	40,980	0	0	0	40,980
EFF67	Anticipated overage payments from planned Cornovii/CDL developments.	0	0	0	0	0
EFF68	Increased income generation within Theatre Services	0	0	0	0	0
EFF69	One off use of building control reserve (in line with reserve use guidelines; target applied in 2022/23 budget but removed from 2024/25 onwards, hence negative value)	0	0	0	0	0
EFF70	Increased income generation within Libraries	0	0	0	0	0
EFF71	Self-issue software reducing library costs	0	0	0	0	0
EFF72	Increased income generation within Council-operated Leisure Centres	0	0	0	0	0
EFF73	Cost savings in leisure services	0	0	0	0	0
EFF74	Libraries - Implementation of changes under the Library Transformation Project	0	0	0	0	0
EFF75	Efficiency savings within Highways Operations	0	0	0	0	0
EFF76	Reduce horticultural contract costs.	0	0	0	0	0
<b>TOTAL Efficiency - Place</b>		<b>-6,937,837</b>	<b>-2,781,775</b>	<b>-2,496,728</b>	<b>-4,610,410</b>	<b>-16,826,750</b>
<b>TOTAL SAVINGS - PLACE</b>		<b>-6,977,837</b>	<b>-2,856,775</b>	<b>-2,496,728</b>	<b>-4,610,410</b>	<b>-16,941,750</b>



As per MTF5 - 2 March 2023		2023/24 DELIVERY @ Q2				
Savings Reference	Description of Saving	Green - Achieved	Green - Will be achieved	Amber	Red	Total
POL01	Review the transport arrangements for SEND education placements to ensure efficient use of resources whilst providing appropriate support.	-100,000	0	0	0	-100,000
POL02	Consult on options to revise the contribution scheme for Post 16 applicants with SEND to ensure efficient use of resources.	0	0	0	0	0
POL03	Review the transport arrangements for placements at the Tuition Medical Behaviour Support Service to ensure efficient use of resources.	-202,000	0	0	0	-202,000
POL04	Consult on options to revise the Post 16 transport assistance scheme to ensure efficient use of resources.	0	0	0	0	0
<b>TOTAL Policy Choice - People</b>		<b>-302,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-302,000</b>
EFF101	Target Operating Model - staffing budget turnover and wastage increase by 5% (year-end review).	-1,660,346	0	0	-778,564	-2,438,910
EFF10	Managing predicted growth	0	0	0	0	0
EFF11	Increase numbers of local foster carers to enable reductions in independent foster care costs (local foster carers, engaged by the Council, are less costly than independent foster carers)	-1,000,000	0	0	0	-1,000,000
EFF13	Reduce numbers of childcare placements in long-term residential placements, where appropriate ('Stepping Stones' project, implementing the proven North Yorkshire model of children's social care management).	-1,000,000	0	0	0	-1,000,000
EFF14	Prevent the need for residential care	-127,290	0	0	-704,908	-832,198
EFF105	Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management	-335,400	0	0	-386,820	-722,220
EFF09	Removal of budgets for vacant posts (avg. 3%)	-1,222,930	0	0	-25,050	-1,247,980
EFF21	Review exceptionally high-cost children's residential care placements to identify the optimum care arrangements for each child, reflecting their changing levels of need.	-250,000	0	0	0	-250,000
EFF22	Review care at home model.	-240,437	0	0	0	-240,437
EFF23	Review the Council contribution to maintained school redundancy costs.	-180,000	0	0	0	-180,000
EFF30	Review funding arrangements across Learning and Skills to maximise the use of the Central School Services Block (CSSB) grant funding, in line with Government guidance, to rebalance the Council contribution to the service.	-86,180	0	0	0	-86,180
EFF34	Review service model to deliver wellbeing training and capacity building offer.	-66,610	0	0	0	-66,610
EFF37	Review the 'Enhance' contract	-21,000	0	0	0	-21,000
EFF07	Review care at home model	-650,697	0	0	-2,408,866	-3,059,563
EFF12	Review supported living model	-1,000,000	0	0	0	-1,000,000
EFF20	Reduce transport costs through improved efficiencies	-300,000	0	0	0	-300,000
EFF27	Review of arrangements for personal budgets	-110,000	0	0	0	-110,000
EFF35	Charge for sourcing care to self funders	-18,110	0	0	0	-18,110
EFF40	Contract review for supported living	0	0	0	-7,480	-7,480
EFF06	Expand and enhance reablement model to improve people's outcomes get better and to remain independent.	-4,869,750	0	0	0	-4,869,750
EFF08	Review client contributions in line with national guidance	-1,500,000	0	0	0	-1,500,000
EFF15	Deliver efficiencies across the ISF model	-500,000	0	0	0	-500,000
EFF19	Develop flexible support model to support people to remain at home	-325,000	0	0	0	-325,000
EFF25	Increase joint training opportunities.	-150,000	0	0	0	-150,000
EFF32	Review of Day Services model.	-75,000	0	0	0	-75,000
EFF41	Increase Fees and Charges relating to Day Services	-7,000	0	0	0	-7,000
EFF42	Remove use of external venues	-5,000	0	0	0	-5,000
EFF16	Improving public health to reduce social care costs	-500,000	0	0	0	-500,000
EFF29	Review the 'Enable' services budget	-88,000	0	0	0	-88,000
EFF31	Review grants (non-statutory)	-80,000	0	0	0	-80,000
EFF38	Review of Enable	-12,000	0	0	0	-12,000
EFF39	Review of care packages jointly funded with health services	-1,071,999	0	0	762,000	-310,000
EFF43	Reduce social care demand through family support and early interventions to prevent crisis.	0	0	0	0	0
<b>TOTAL Efficiency - People</b>		<b>-17,452,749</b>	<b>0</b>	<b>0</b>	<b>-3,549,689</b>	<b>-21,002,438</b>
<b>TOTAL SAVINGS - PEOPLE</b>		<b>-17,754,749</b>	<b>0</b>	<b>0</b>	<b>-3,549,689</b>	<b>-21,304,438</b>
Additional Spending Reductions Identified to Offset Known Pressures in 2023/24						
EFF06	Expand and enhance reablement model to improve people's outcomes get better and to remain independent.					
EFF07	Review care at home model					
EFF08	Review client contributions in line with national guidance					
EFF09	Removal of budgets for vacant posts (avg. 3%)					
EFF10	Managing predicted growth					
EFF35	Charge for sourcing care to self funders					
EFF39	Review of care packages jointly funded with health services					
<b>TOTAL Efficiency - People</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL SAVINGS - PEOPLE</b>		<b>-17,754,749</b>	<b>0</b>	<b>0</b>	<b>-3,549,689</b>	<b>-21,304,438</b>

Transformation & Improvement Scrutiny 15<sup>th</sup> November 2023; Cabinet 22<sup>nd</sup> November 2023 – Financial Monitoring 2023/24 – Quarter 2

As per MTFS - 2 March 2023		2023/24 DELIVERY @ Q2				
Savings Reference	Description of Saving	Green - Achieved	Green - Will be achieved	Amber	Red	Total
EFF101	Target Operating Model - staffing budget turnover and wastage increase by 5% (year-end review).	-111,550	0	0	0	-111,550
EFF04	Review future model of pest control delivery	-40,000	0	0	0	-40,000
EFF01	Review application of grant funds	-218,930	0	0	0	-218,930
EFF02	Additional capacity to support transformation programme	-128,960	0	0	0	-128,960
EFF105	Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management	-87,310	0	0	0	-87,310
EFF03	Removal of budgets for vacant posts (avg. 3%)	-61,420	0	0	0	-61,420
EFF05	Reduce the cost by providing the minimum statutory duty for Public Health Funerals.	-5,000	0	0	0	-5,000
<b>TOTAL Efficiency - Health &amp; Wellbeing</b>		<b>-653,170</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-653,170</b>
Savings Reference	Description of Saving	Green - Achieved	Green - Will be achieved	Amber	Red	Total
EFF78	Review of customer contact teams across the Council - Channel shifting to promote more streamlined and cost-efficient responses.	-112000	0	0	-1000000	-1,112,000
EFF79	Reduce housing benefit subsidy loss arising from use of expensive bed and breakfast accommodation (reverses budget growth from 2021/22 into 2022/23)	0	0	0	-1000000	-1,000,000
EFF101	Target Operating Model - staffing budget turnover and wastage increase by 5% (year-end review).	-942570	0	0	0	-942,570
EFF105	Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management	-7940	0	0	-587310	-595,250
EFF87	Operating Model - Digital County - Reduce/remove uneconomical Service Delivery	0	0	0	-100000	-100,000
EFF88	Review of single person discount and housing benefit applications against data warehouse to reduce error and fraud.	0	0	0	-100000	-100,000
EFF89	CCTV provision and management - Seek partner funding contributions	0	0	0	-75000	-75,000
EFF82	Legal and Governance restructure to include deletion of some vacant posts and the movement of others into transformation	-164850	0	0	-67000	-231,850
EFF86	Contract rebates and spending reductions	-101500	0	0	-28000	-129,500
EFF97	Additional 100% premium on vacant properties	0	0	0	0	0
EFF98	Additional 100% levy on second homes	0	0	0	0	0
EFF99	Income generation within Audit Services (target level in 2024/25 reduced from previously agreed level)	0	0	0	0	0
EFF81	New Operating Model - Charge staffing costs delivering transformation to capital budgets where possible and appropriate (Workforce and Improvement).	-645222	0	0	0	-645,222
EFF80	Removal of budgets for vacant posts (avg. 3%)	-717730	0	0	0	-717,730
EFF85	Income savings from 22/23 - 26/27 Capital Strategy (ICT Equipment Replacement Fund)	-130000	0	0	0	-130,000
EFF83	New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Legal and Democratic).	-57330	0	0	0	-57,330
EFF90	Review of ICT contracts to streamline supplier use	-50000	0	0	0	-50,000
EFF91	Full recovery of legal and other recovery costs for unpaid council tax and business rates	-46000	0	0	0	-46,000
EFF92	Review use of Customer Relationship Management system	-25000	0	0	0	-25,000
EFF93	Increase fees and charges in line with cost inflation	-21000	0	0	0	-21,000
EFF84	New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Finance and IT).	-20740	0	0	0	-20,740
EFF94	Reduce use of printers and copiers (Multi-Functional Devices - MFDs)	-12000	0	0	0	-12,000
EFF95	Complete migration to SharePoint document management and sharing software	-10000	0	0	0	-10,000
EFF96	SMS reminder - Debt recovery (council tax)	-6000	0	0	0	-6,000
<b>TOTAL SAVINGS - RESOURCES</b>		<b>-3,069,882</b>	<b>0</b>	<b>0</b>	<b>-2,957,310</b>	<b>-6,027,192</b>
EFF100	Review PFI contract costs to secure greater efficiency	0	0	0	-213,760	-213,760
EFF103	Target Operating Model - Transformation partner delivers 4 x end-to-end process reviews yielding £0.5m per project.	0	0	0	-2,000,000	-2,000,000
EFF104	Increase interest receivable budgets based on changing bank rates	-1,300,000	0	0	0	-1,300,000
EFF105	Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management	0	0	0	0	0
EFF106	Budget review - treasury investment returns.	-700,000	0	0	0	-700,000
EFF107	Contract Spend Analysis and Contract Management Review	-200,010	0	0	-49,990	-250,000
EFF108	Application of corporate grants	-2,000,000	0	0	0	-2,000,000
<b>TOTAL SAVINGS - CORPORATE</b>		<b>-4,200,010</b>	<b>0</b>	<b>0</b>	<b>-2,263,750</b>	<b>-6,463,760</b>

## APPENDIX 4

### RECONCILIATION OF MONITORING PROJECTIONS TO SAVINGS DELIVERY

Directorate / Service	Q2Forecast £'000	Savings Pressure in 2023/24 (£'000)	Ongoing Pressures Identified (£'000)	Additional Ongoing Savings Identified (£'000)	One Off Pressures Identified (£'000)	One off Savings Identified (£'000)
<b>People</b>						
Directorate Management	2,403	2,406	0	0	0	(3)
Adult Social Care	9,701	875	11,068	0	5,413	(7,656)
Children's Social Care and Safeguarding	13,100	270	8,356	0	7,461	(2,988)
Children's Early Help, Partnerships and Commissioning	(123)	0	0	0	60	(184)
Learning and Skills	296	0	0	0	425	(129)
<b>People Total</b>	<b>25,377</b>	<b>3,550</b>	<b>19,425</b>	<b>0</b>	<b>13,360</b>	<b>(10,959)</b>
<b>Place</b>						
Directorate Management	1,329	1,515	0	0	7	(130)
Commercial Services	2,363	2,275	0	0	1,305	(1,217)
Economy and Place	554	103	0	0	820	(399)
Homes and Communities	443	542	642	0	811	(1,551)
Highways and Transport	(463)	175	0	0	29	(638)
<b>Place Total</b>	<b>4,289</b>	<b>4,610</b>	<b>642</b>	<b>0</b>	<b>2,972</b>	<b>(3,935)</b>
<b>Health and Wellbeing</b>						
Public Health	0	0	0	0	378	(380)
Regulatory Services	(2)	0	0	0	3,186	(3,186)
<b>Health and Wellbeing Total</b>	<b>(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,564</b>	<b>(3,566)</b>
<b>Resources</b>						
Directorate Management	979	980	0	0	0	(1)
Workforce and Improvement	50	117	5	0	157	(229)
Finance and Technology	1,856	1,579	352	0	261	(335)
Legal and Governance	233	158	0	0	474	(400)

Treasury and Pensions	0	0	0	0	0	0
Communications and Engagement	82	123	0	0	61	(102)
<b>Resources Total</b>	<b>3,201</b>	<b>2,957</b>	<b>357</b>	<b>0</b>	<b>953</b>	<b>(1,067)</b>
<b>Strategic Management Board</b>						
Chief Executive and PAs	(17)	0	0	0	0	(17)
Programme Management	0	0	0	0	0	0
<b>Strategic Management Board Total</b>	<b>(17)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(17)</b>
<b>Corporate Budgets</b>	<b>(455)</b>	<b>2,264</b>	<b>0</b>	<b>0</b>	<b>54</b>	<b>(2,773)</b>
<b>TOTAL</b>	<b>32,393</b>	<b>13,382</b>	<b>20,423</b>	<b>0</b>	<b>20,903</b>	<b>(22,317)</b>

## APPENDIX 5

### AMENDMENTS TO ORIGINAL BUDGET 2023/24

£'000	Total	People	Place	Health & Wellbeing	Resources	Strategic Management Board	Corporate
<b>Original Budget as Agreed by Council</b>	<b>255,914</b>	<b>215,106</b>	<b>78,460</b>	<b>2,707</b>	<b>4,577</b>	<b>55</b>	<b>(44,991)</b>
<b>Quarter 1 Virements and Structure Changes</b>	0	(3,417)	(1,847)	(199)	(1,269)	105	6,627
<b>Quarter 2</b>							
<b>Structure Changes:</b>	0	0	0	0	0	0	0
<b>Virements:</b>							
Staffing adjustments	0	(3)	3				
Subscription movement	0		(5)			5	
Correction for removal of SCP 1 and salary changes at April 2023	0	75	48		16		(139)
Staffing movements in relation to Procurement/Commissioning Team	0	226			(226)		
Staffing adjustments	0	2			(2)		
Organisational wide savings in relation to Housing Services	0	150	(150)				
<b>Quarter 2 Revised Budget</b>	<b>255,914</b>	<b>212,139</b>	<b>76,509</b>	<b>2,508</b>	<b>3,096</b>	<b>165</b>	<b>(38,503)</b>

## APPENDIX 6

### RESERVES 2023/24

#### General Fund

The General Fund reserve at 31st March 2023 stood at £7.093m, significantly below its optimum desired balance.

The 2023/24 budget strategy included a contribution of £19.868m to the General Fund balance which would then reach £26.961m, which is a safer level given the current profile of financial risks.

It is anticipated that one off resources will be identified to offset pressures in year while longer term sustainable demand management plans are in place. This will include the review and release of earmarked reserves and a review of grant balances received to try to utilise funds to offset the one off pressures within Social Care. Without the use of these one off funds, and continued action to deliver the savings programme, the General Fund would be totally depleted.

It is essential that the Council maintains the General Fund Balance as assumed within the Medium term Financial Strategy, otherwise it would limit the ability of the council to mitigate any further unforeseen shocks such as ongoing inflationary increases, climate events such as flooding and drought, or rapid reductions in available resources due to changed national policy.

Independent advice is that General Fund un-earmarked reserves should equate to 5%-10% of next spending.

General Fund	£'000
Balance as at 1 <sup>st</sup> April	7,093
Budgeted Contribution	19,868
<b>Budgeted Balance before impact of in-year monitoring position</b>	<b>26,961</b>

#### Earmarked Reserves

The Council held balances of £42.092m (excluding School Balances) in Earmarked Reserves as at 1<sup>st</sup> April 2023. There are a number of transactions planned from earmarked reserves during the course of the year. The current projections for the year end balance in earmarked reserves is detailed in the table below. It is also anticipated that the remaining balance of £33.327m will be reviewed with a view to releasing funds to offset known pressures arising (primarily in Social Care) if demand management plans can not be realised within the year.

<b>Earmarked Reserves</b>	<b>1<sup>st</sup> April 2023 £'000</b>	<b>Forecast Net Contribution to/from Reserve £'000</b>	<b>31<sup>st</sup> March 2024 £'000</b>
Sums set aside for major schemes, such as capital developments, or to fund major reorganisations	14,747	(2,441)	12,306
Insurance reserves	3,636	(495)	3,141
Reserves of trading and business units	0	0	0
Reserves retained for service departmental use	21,583	(5,625)	15,958
Reserves held for schools	2,126	(204)	1,921
<b>Total</b>	<b>42,092</b>	<b>(8,765)</b>	<b>33,327</b>

## APPENDIX 7

### PROJECTED CAPITAL PROGRAMME OUTTURN 2023/24 – 2025/26

The capital budget for 2023/24 is continuously being monitored and changed to reflect the nature of capital projects which can be profiled for delivery over several years. In Quarter 2 there has been a net budget decrease of £17.484m for 2023/24, compared to position reported at Quarter 1 2023-24. The tables below summarise the overall movement, between that already approved and changes for Quarter 2.

#### Shropshire Council - Capital Programme 2023/24 - 2025/26

#### Capital Programme Summary - Quarter 2 2023/24

Directorate	Revised Budget Q1 2023/24 £	Budget Virements Quarter 2 £	Revised Budget Quarter 2 2023/24 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2024/25 Revised Budget £	2025/26 Revised Budget £
<b>General Fund</b>										
Health & Wellbeing	0	0	0	0	0	0.00%	0	0	0	0
People	17,717,871	(4,818,111)	12,899,760	3,451,012	9,448,748	26.75%	12,899,760	0	14,732,379	5,780,231
Place	97,410,005	(17,515,401)	79,894,604	21,921,561	57,973,043	27.44%	79,894,604	0	104,114,325	39,724,736
Resources	1,042,361	0	1,042,361	576	1,041,785	0.06%	1,042,361	0	0	0
<b>Total General Fund</b>	<b>116,170,237</b>	<b>(22,333,512)</b>	<b>93,836,725</b>	<b>25,373,148</b>	<b>68,463,577</b>	<b>27.04%</b>	<b>93,836,725</b>	<b>0</b>	<b>118,846,704</b>	<b>45,504,967</b>
<b>Housing Revenue Account</b>	<b>27,976,507</b>	<b>4,849,546</b>	<b>32,826,053</b>	<b>5,568,949</b>	<b>27,257,104</b>	<b>16.97%</b>	<b>32,826,053</b>	<b>0</b>	<b>17,124,384</b>	<b>12,708,431</b>
<b>Total Approved Budget</b>	<b>144,146,744</b>	<b>(17,483,966)</b>	<b>126,662,778</b>	<b>30,942,097</b>	<b>95,720,681</b>	<b>24.43%</b>	<b>126,662,778</b>	<b>0</b>	<b>135,971,088</b>	<b>58,213,398</b>

The actual capital expenditure at Quarter 2 is £30.942m, which represents 24.43% of the revised capital budget at Quarter 2, 50% of the year. This is slightly low in comparison to the total budget, but in line with the average expenditure percentage at this period in previous years. All budgets are fully allocated to projects and will be monitored for levels of spend throughout the remainder of the year. Based on recent years, the capital programme has out turned at around 85% of the outturn budget, which on average has been around 20% lower than the budget at this point in the year, due to further re-profiling later in the year.

The level of spend is slightly low across the programme in some areas, but equal to the level of spend in the previous year at this period. In terms of the major areas the spend position is as follows: People 26.75% (budget £17.718m), Place 27.44% (budget £97.410m), Resources 0.06% (budget £1.042m), HRA Major Repairs & New Build Programme 16.97% (budget £27.977m).



Shropshire Council - Capital Programme Portfolio Holder Summary Quarter 2023/24

Portfolio Holder	Revised Budget Q1 2023/24 £	Budget Virements Quarter 2 £	Revised Budget Quarter 2 2023/24 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2024/25 Revised Budget £	2025/26 Revised Budget £
<b>General Fund</b>										
Portfolio Holder Adult Social Care and Public Health	6,955,338	(2,303,995)	4,651,343	2,592,709	2,058,634	55.74%	4,651,343	0	7,652,995	4,149,000
Portfolio Growth and Regeneration	10,006,059	(866,906)	9,139,153	1,534,749	7,604,404	16.79%	9,139,153	0	7,617,520	4,291,793
Deputy Leader and Portfolio Holder Climate Change	0	0	0	0	0	0.00%	0	0	325,000	0
Portfolio Holder Children and Education	13,868,754	(2,514,116)	11,354,638	2,908,856	8,445,782	25.62%	11,354,638	0	11,228,384	5,780,231
Portfolio Holder Finance and Corporate Resources	0	0	0	0	0	0.00%	0	0	0	0
Portfolio Holder for Health (Integrated Care System)	53,816,470	(629,735)	53,186,735	8,774,996	44,411,739	16.50%	53,186,735	0	37,033,741	14,409,431
Portfolio Holder Culture and Digital	9,885,262	(3,093,692)	6,791,570	1,196,085	5,595,485	17.61%	6,791,570	0	10,312,085	2,170,943
Portfolio Holder Highways and Regulatory Services	21,638,354	(12,925,068)	8,713,286	8,365,753	347,533	96.01%	8,713,286	0	44,676,979	14,703,569
Leader and Portfolio Holder Strategy	0	0	0	0	0	0.00%	0	0	0	0
<b>Total General Fund</b>	<b>116,170,237</b>	<b>(22,333,512)</b>	<b>93,836,725</b>	<b>25,373,148</b>	<b>68,463,577</b>	<b>27.04%</b>	<b>93,836,725</b>	<b>0</b>	<b>118,846,704</b>	<b>45,504,967</b>
<b>Housing Revenue Account</b>										
Portfolio Holder Physical Infrastructure (Highways,	27,976,507	4,849,546	32,826,053	5,568,949	27,257,104	16.97%	32,826,053	0	17,124,384	12,708,431
<b>Total Approved Budget</b>	<b>144,146,744</b>	<b>(17,483,966)</b>	<b>126,662,778</b>	<b>30,942,097</b>	<b>95,720,681</b>	<b>24.43%</b>	<b>126,662,778</b>	<b>0</b>	<b>135,971,088</b>	<b>58,213,398</b>

## Shropshire Council - Capital Budget Monitoring Report Quarter 2 2023/24

Directorate Service Area	Revised Budget Q1 2023/24 £	Budget Virements Quarter 2 £	Revised Budget Quarter 2 2023/24 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2024/25 Revised Budget £	2025/26 Revised Budget £
<b>General Fund</b>										
<b>Health &amp; Wellbeing</b>	0	0	0	0	0	0.00%	0	0	0	0
Public Health Capital	0	0	0	0	0	0.00%	0	0	0	0
Regulatory Services Capital	0	0	0	0	0	0.00%	0	0	0	0
<b>People</b>	17,717,871	(4,818,111)	12,899,760	3,451,012	9,448,748	26.75%	12,899,760	0	14,732,379	5,780,231
Adult Social Care Contracts & Provider Capital	0	0	0	0	0	0.00%	0	0	0	0
Adult Social Care Operations Capital	3,849,117	(2,303,995)	1,545,122	542,155	1,002,967	35.09%	1,545,122	0	3,503,995	0
Children's Residential Care Capital	393,125	0	393,125	22,977	370,148	5.84%	393,125	0	0	0
Non Maintained Schools Capital	507,650	437,625	945,275	870,749.73	74,525	92.12%	557,650	387,625	2,000,000	0
Primary School Capital	6,384,569	(32,194)	6,352,375	1,877,622	4,474,753	29.56%	6,352,375	0	1,000,000	0
Secondary School Capital	728,191	(3,980)	724,211	136,598	587,613	18.86%	724,211	0	0	0
Special Schools Capital	52,420	0	52,420	1,306	51,114	2.49%	52,420	0	0	0
Unallocated School Capital	5,802,799	(2,915,567)	2,887,232	(397)	-0.01%		3,274,857	(387,625)	8,228,384	5,780,231
<b>Place Capital - Commercial Services</b>	18,233,693	(7,129,724)	11,103,969	1,757,385	9,346,584	15.83%	11,103,969	0	19,909,357	1,701,000
Corporate Landlord Capital	18,233,693	(7,129,724)	11,103,969	1,757,385	9,346,584	15.83%	11,103,969	0	19,909,357	1,701,000
<b>Place Capital - Economic Growth</b>	14,750,537	(3,041,337)	11,709,200	2,282,379	9,426,821	19.49%	11,709,200	0	11,365,107	4,371,738
Broadband Capital	3,785,519	(2,174,431)	1,611,088	647,630	963,458	40.20%	1,611,088	0	3,747,587	79,945
Development Management Capital	533,676	0	533,676	166,425	367,251	31.18%	533,676	0	121,500	40,500
Economic Growth Capital	9,472,383	(1,000,000)	8,472,383	1,193,105	7,279,278	14.08%	8,472,383	0	7,496,020	4,251,293
Planning Policy Capital	958,959	133,094	1,092,053	275,219	816,834	25.20%	1,092,053	0	0	0
<b>Place Capital - Homes &amp; Communities</b>	5,057,382	(919,261)	4,138,121	547,879	3,590,242	13.24%	4,138,121	0	6,564,498	2,090,998
Leisure Capital	4,685,989	(912,481)	3,773,508	470,226	3,303,282	12.46%	3,773,508	0	6,269,718	2,067,303
Libraries Capital	118,475	0	118,475	0	118,475	0.00%	118,475	0	94,780	23,695
Outdoor Partnerships Capital	275,818	(6,780)	269,038	68,431	200,607	25.44%	269,038	0	200,000	0
Visitor Economy Capital	(22,900)	0	(22,900)	9,222	(32,122)	-40.27%	(22,900)	0	0	0
<b>Place Capital - Infrastructure</b>	49,614,861	(8,075,522)	41,539,339	13,934,702	27,604,637	33.55%	41,539,339	0	62,126,363	27,412,000
Environment & Transport Capital	0	0	0	0.00	0	0.00%	0	0	0	0
Highways Capital	49,614,861	(8,075,522)	41,539,339	13,934,702	27,604,637	33.55%	41,539,339	0	61,801,363	27,412,000
Waste Capital	0	0	0	0	0	0.00%	0	0	325,000	0
<b>Place Capital - Housing Services</b>	9,753,532	1,650,443	11,403,975	3,399,216	8,004,759	29.81%	11,403,975	0	4,149,000	4,149,000
Housing Services	9,753,532	1,650,443	11,403,975	3,399,216	8,004,759	29.81%	11,403,975	0	4,149,000	4,149,000
<b>Resources</b>	1,042,361	0	1,042,361	576	1,041,785	0.06%	1,042,361	0	0	0
ICT Digital Transformation - CRM Capital	576	0	576	576	0	100.00%	576	0	0	0
ICT Digital Transformation - ERP Capital	0	0	0	0	0	0.00%	0	0	0	0
ICT Digital Transformation - Infrastructure & Archit	0	0	0	0	0	0.00%	0	0	0	0
ICT Digital Transformation - Social Care Capital	0	0	0	0	0	0.00%	0	0	0	0
ICT Digital Transformation - Unallocated Capital	1,041,785	0	1,041,785	0	1,041,785	0.00%	1,041,785	0	0	0
<b>Total General Fund</b>	116,170,237	(22,333,512)	93,836,725	25,373,148	68,463,577	27.04%	93,836,725	0	118,846,704	45,504,967
<b>Housing Revenue Account</b>	27,976,507	4,849,546	32,826,053	5,568,949	27,257,104	16.97%	32,826,053	0	17,124,384	12,708,431
HRA Dwellings Capital	27,976,507	4,849,546	32,826,053	5,568,949	27,257,104	16.97%	32,826,053	0	17,124,384	12,708,431
<b>Total Approved Budget</b>	144,146,744	(17,483,966)	126,662,778	30,942,097	95,720,681	24.43%	126,662,778	0	135,971,088	58,213,398

## APPENDIX 8

### PROJECTED CAPITAL RECEIPTS

Capital receipts are a source of capital funding, often preferred to other sources which are focused on specific objectives (e.g. grants, match funding, developer contributions), or which bear a cost (e.g. external borrowing).

The current capital programme is heavily reliant on the Council generating capital receipts to finance the capital programme. There is a high level of risk in these projections as they are subject to changes in property and land values, the actions of potential buyers and being granted planning permission on sites.

The table below summarises the current allocated and projected capital receipt position across 2023/24 to 2026/27. A RAG analysis has been included for capital receipts projected, based on the current likelihood of generating them by the end of each financial year. Disposals rated marked “Green” are highly likely to be completed by the end of the financial year, those rated “Amber” are achievable but challenging and thus there is a risk of slippage, and those rated “Red” are highly unlikely to complete in year and thus there is a high risk of slippage. However, no receipts are guaranteed to complete in any financial year as there may be delays between exchanging contracts and completing.

	2023/24	2024/25	2025/26	2026/27
Corporate Resources Allocated in Capital Programme	16,493,898	11,675,352	5,952,293	1,600,000
Capital Programme Ring-fenced receipt requirements	5,542,139	14,694,236	19,103,665	-
Transformation activities	4,018,186	-	-	-
<b>Total Commitments</b>	<b>26,054,223</b>	<b>26,369,588</b>	<b>25,055,958</b>	<b>1,600,000</b>
<b>Capital Receipts in hand/projected:</b>				
Brought Forward in hand	17,465,369	4,005,007	- 21,804,582	- 46,795,539
Generated 2022/23YTD	1,782,921	-	-	-
Projected - 'Green'	10,810,939	560,000	65,000	65,000
<b>Total in hand/projected</b>	<b>30,059,230</b>	<b>4,565,007</b>	<b>- 21,739,582</b>	<b>- 46,730,539</b>
<b>Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward</b>	<b>- 4,005,007</b>	<b>21,804,582</b>	<b>46,795,539</b>	<b>48,330,539</b>
Further Assets Being Considered for Disposal	3,255,120	25,581,744	7,463,000	7,000,750

In 2024/25, 2025/26 and 2026/27 there are currently projected cumulative shortfalls of capital receipts of £21.805m, £46.7960m and £48.331m respectively, which may need to be financed from Prudential Borrowing if they cannot be addressed by progressing the disposals programmed for future years and will incur future year revenue costs that are not budgeted for in the revenue financial strategy.

Assets currently being considered for disposal total £43.301m which even if realised would be insufficient to resolve the currently projected shortfall in capital receipts peaking at £48.331m in 2026/27. Of these disposals £22.093m and £21,208m are currently RAG rated “Amber” and “Red” respectively, meaning that they are either achievable but challenging or highly unlikely to complete within the relevant financial years.

There is a significant and urgent pressure, therefore, to progress the disposals programmed for future years, to ensure that they are realised, together with realising the revenue running cost savings from some of the properties. Considerable work is required to realise these receipts, with generally a lead in time of at least 12 to 18 months on larger disposals.

## APPENDIX 9

### FINANCIAL MANAGEMENT INDICATORS

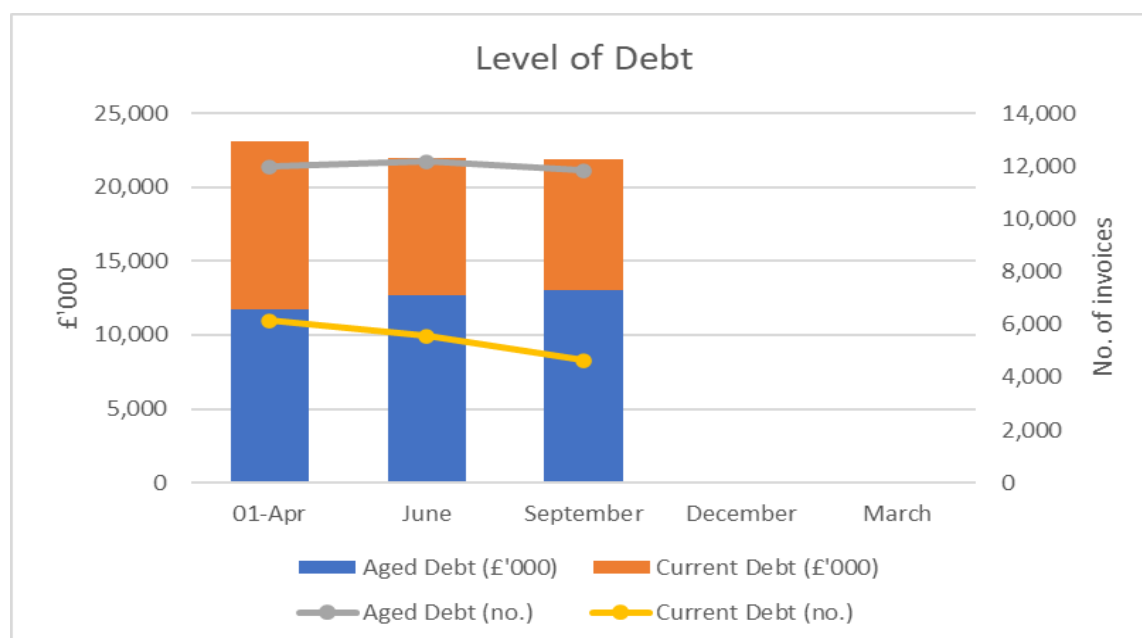
The two financial indicators detailed below will be tracked during the course of the financial year to provide assurance on the Council's financial management processes.

#### Payment of Invoices

April – September 2023	% of Invoices	No. of invoices
Paid within 30 days	63.41	23,374
Invoices not paid within 30 days	36.59	13,485
<b>Total</b>	<b>100.00</b>	<b>36,859</b>

#### Aged debt

As at 30 <sup>th</sup> September 2023	Value (£'000)	No. of invoices
Aged Debt	13,025	11,827
Current Debt	8,844	4,638
<b>Total</b>	<b>21,868</b>	<b>16,465</b>



The payment of invoices indicator demonstrates that the Council is paying 63% of invoices to suppliers within 30 days. This indicator has decreased from 2022/23. Ideally, invoices should be raised for payments due to the council within 30 days, and purchase orders for all new supplies should be raised ahead of delivery. Statistics on late submission of invoices and production of retrospective orders are produced for senior managers across the Council and they are being asked to tackle areas of late payment to improve performance around this.

The value of aged debt has increased marginally but the number of invoices that this relates to has reduced since the start of the financial year. This does remain significantly high and the effects of cost of living are impacting on the level of debt held. Focussed action is being taken across the authority to improve debt recovery. The Council is also undertaking a review of the processes around aged debt recovery to try and minimise the level of debt raised and improve rates of direct debit take up to reduce debt arising.



## Committee and Date

Cabinet  
22<sup>nd</sup> November 2023

Item

Public



## Treasury Management Update Quarter 2 2023/24

<b>Responsible Officer:</b>	James Walton		
email:	<a href="mailto:james.walton@shropshire.gov.uk">james.walton@shropshire.gov.uk</a>	Tel:	01743 258915
<b>Cabinet Member</b> (Portfolio Holder):	Cllr Gwilym Butler, Finance & Corporate Support		

### 1. Synopsis

The Council currently holds £58m in investments and £286m of borrowing. This report shows the return on those investments over quarter 2, the economic outlook for the next 3 years and confirms activities align with the Council approved Treasury Management Strategy and prudential indicators.

### 2. Executive Summary

- 2.1. The report outlines the treasury management activities of the Council in the second quarter of 2023/24. It highlights the economic environment in which treasury management decisions have been made and the interest rate forecasts of the Council's Treasury Advisor, Link Asset Services. It also updates Members on the internal treasury team's performance.
- 2.2. During Quarter 2 the internal treasury team achieved a return of 4.85% on the Council's cash balances, outperforming the benchmark by 0.07%. This amounts to additional income of £12,170 during the quarter which is included within the Council's outturn position in the Financial Monitoring Report. Further details on this are provided in paragraph 10.4 of the report. The Monetary Policy Committee (MPC) increased Bank Rate to 5.25% in August 2023, although it is widely

anticipated that this will be the peak Bank Rate and is likely to be held at this level until mid 2024.

- 2.3. Under the CIPFA Treasury Management Code, it is best practice to provide quarterly Treasury Management updates.

### 3. Recommendations

- 3.1 Members are asked to review the position as set out in the report –

- 3.1.1. Noting the summary of the wider economic environment and the Council's borrowings and investments set out in Appendix A
- 3.1.2. Noting the performance within prudential indicators for quarter 1, 2023/24 (Appendix B)

## Report

### 4. Risk Assessment and Opportunities Appraisal

- 4.1 The assessment and management of risk are key considerations for any Treasury Management approach. Compliance with the CIPFA Code of Practice on Treasury Management, the Council's Treasury Policy Statement and Treasury Management Practices and the Prudential Code for Capital Finance together with the rigorous internal controls will enable the Council to manage the risk associated with Treasury Management activities and the potential for financial loss.
- 4.2 The Council's Audit Committee is the committee responsible for ensuring effective consideration of the Council's Treasury Management Strategy and policies.
- 4.3 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.
- 4.4 There are no direct environmental, equalities or climate change consequences arising from this report.

### 5. Financial Implications

- 5.1. The Council makes assumptions about the levels of borrowing and investment income over the financial year. Reduced borrowing as a result of capital receipt generation or delays in delivery of the capital programme will both have a positive impact of the council's cash position. Similarly, higher than benchmarked returns on available cash will also help the Council's financial position. For monitoring purposes, assumptions are made early in year about borrowing and returns based on the strategies agreed by Council in the preceding February. Performance outside of these assumptions results in increased or reduced income for the Council.
- 5.2. The Quarter 2 performance is above benchmark and has delivered additional income of £12,170 which is reflected in the Financial Monitoring Report Quarter 2 2023/24.

- 5.3. As at 30 September 2023 the Council held £58 million in investments as detailed in Appendix A and borrowing of £286 million at fixed interest rates. The ability to secure fixed rates helps to manage the uncertainty and risk of changes to interest rates.

## 6. Climate Change Appraisal

- 6.1. The Council's Financial Strategy includes proposals to deliver a reduced carbon footprint for the Council therefore the Treasury Team is working with the Council in order to achieve this. There are no direct climate change impacts arising from this report. Shropshire Council's investment portfolio has no level 1, 2 or 3 emissions. It comprises of straightforward cash deposits with financial institutions and other Local Authorities.

## 7. Background

- 7.1. The Council defines its treasury management activities as “the management of the authority's borrowing, investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks”. The report informs Members of the treasury activities of the Council between 1 April 2023 and 30 September 2023.
- 7.2. The council had £58m invested at the end of the second quarter period, as set out in Appendix A. This is a reduction in the overall investment balance over previous periods, and reflects the gradual application of reserves in line with budget plans across recent years. During the period of comparatively high cash balances, the council has benefited from the ability to fund borrowing internally ('internal borrowing') rather than needing to secure external borrowing (via PWLB).

## 8. Economic Background

- 8.1. An overview of the general economic position is included as Appendix A, and with further detail in Appendix D. Decisions on Council investment activity are influenced by this wider context. This highlights:
- Consumer Price Indices (CPI) inflation fell by 2% to 6.7% in August which is its lowest rate since February 2022.
  - a cooling in the labour market conditions, however it remains to be seen if this will ease the level of wage growth.
  - A 0.5% fall in GDP suggesting that underlying growth may have lost its momentum from earlier in the year.
- 8.2. For wider context and consideration of the global financial outlook, an economic and borrowing update for the second quarter of 2023/24 is attached in Appendix D



## 9. Economic Forecast

- 9.1. The Council receives its treasury advice from Link Asset Services. Their latest interest rate forecasts to 30 September 2026 are shown below. Bank Rate was increased in August 2023 to 5.25%, and then held at this rate by the MPC in the September meeting. It is anticipated that 5.25% will be the peak bank rate and this may be elevated for a while in a bid to squeeze inflation out of the economy. The table below demonstrates the latest forecasts of interest rates over the next 3 years which will impact on future investment returns and the consequent benchmark.

Link Group Interest Rate View	25.09.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

## 10. Treasury Management Strategy

- 10.1 The Treasury Management Strategy (TMS) for 2023/24 was approved by Full Council on 2 March 2023. The Council's Annual Investment Strategy, which is incorporated in the TMS, outlines the Council's investment priorities as the security and liquidity of its capital.
- 10.2. The Council aims to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate, it is considered appropriate to:
- Keep investments short term (up to 1 year),
  - Only invest with highly credit rated financial institutions using Link's suggested creditworthiness approach, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Link.
  - The Treasury Team continue to take a prudent approach keeping investments short term and with the most highly credit rated organisations.
- 10.3 In the second quarter of 2023/24 the internal treasury team outperformed its benchmark by 0.07%. The investment return was 4.85% compared to the benchmark of 4.78%. This amounts to additional income of £12,170 during the quarter which is included in the Council's outturn position in the Financial Monitoring Report.
- 10.4 From April 2022 the Treasury team are benchmarked against the 3 Month Sterling Overnight Index Average (SONIA). We have now moved into a rising interest rate environment and therefore the benchmark rate has also increased sharply on the back of this. It should be noted that within the current investment portfolio, there are still several longer-term legacy investments fixed at lower rates when the Bank Rate was between 3.50% and 4.25%, still to renew. These investments were placed when market rates were much lower. These will mature over the coming months and be replaced at much higher rates therefore the return of the investment portfolio will increase significantly, and the performance compared to benchmark will become more favourable.



- 10.5 A full list of investments held as at 30 September 2023, compared to Link's counterparty list, and changes to Fitch, Moody's and Standard & Poor's credit ratings are shown within Link's Monthly Investment Analysis Review at Appendix A. None of the approved limits within the Annual Investment Strategy were breached during the second quarter of 2023/24. Officers continue to monitor the credit ratings of institutions on a daily basis. Delegated authority has been put in place to make any amendments to the approved lending list.
- 10.6 Due to the MPC's decision to increase Bank Rate to 5.25% in August 2023 and, investment and borrowing rates have increased on the back of this. The average level of funds available for investment purposes in the first quarter of 2023/24 was £78 million.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Council, 2 March 2023 – Treasury Strategy 2023/24

Cabinet, 6 September 2023: Treasury Management Update Quarter 1 2023/24

**Local Member:** N/A

**Appendices**

- A. Shropshire Council Monthly Investment Analysis Review as at 30 September 2023 (provided by Link Group)
- B. Prudential Indicators for Quarter 2 2023/24
- C. Prudential Borrowing Schedule
- D. Economic Background and Borrowing Update

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# Shropshire Council

## Monthly Investment Analysis Review

September 2023

## Monthly Economic Summary

**General Economy**

The UK Manufacturing PMI for September rose to 44.2, from 42.5, outpacing market predictions of a rise / fall to 43. The uptick hinted at a more gradual decline in manufacturing activity, with some respondents attributing it to customer destocking influencing their output. By contrast, the UK Services PMI contracted, registering 47.2 in September, down from the previous month's 49.5 and below market expectations of 49.2. As a result, the Composite PMI (which incorporates both sectors) dropped to 46.8 in September, down from August's 48.6 and below the market consensus of 48.7, a preliminary estimate showed. This marked the fastest reduction in private sector activity since the lockdown period in January 2021, driven by a continued contraction in manufacturing output and the steepest decline in service sector activity in 32 months. The UK Construction PMI also experienced a dip, declining from 51.7 in July to 50.8 in August. This result suggested a marginal increase in overall business activity, with growth in commercial and civil engineering segments offsetting a slump in house building.

The UK economy contracted by 0.5% m/m in July, the largest decline this year, reversing 0.5% growth in June. This result was weaker than market forecasts of a 0.2% decrease. Notably, the services sector played a role in this contraction, primarily due to a 3.4% decline in the human health activities industry, a result of NHS strikes leading to appointment and procedure cancellations. Elsewhere, the UK's trade deficit narrowed to £3.446 billion in July from £4.787 billion in June, driven by a 1.8% rise in exports and a 0.2% drop in imports, taking them to their lowest level since February 2022.

In the three months to July, the number of people employed in the UK fell by 207,000, exceeding market expectations of a 185,000 drop. This marked the sharpest decline in job creation since September 2020. As a result, the unemployment rate in the UK rose to 4.3% in three months to July, reaching its highest level since the third quarter of 2021. This suggests a potential cooling in the labour market after extensive monetary policy tightening by the Bank of England. Despite this, average weekly earnings (including bonuses) in the UK increased 8.5% y/y in the three months to July, registering their biggest increase in two years. However, this was mainly reflective of one-off bonus payments to NHS staff, so would come out of calculations in the coming months.

The annual consumer price measure of inflation in the UK eased to 6.7% in August from 6.8% in July, falling below market consensus of 7.0% and the Bank's own forecast. This marked the lowest inflation rate since February 2022, primarily due to a slowdown in food inflation and a decline in the cost of accommodation services. Against this backdrop, the Bank of England's Monetary Policy Committee (MPC) decided to hold Bank Rate at 5.25% during this month's meeting, marking the first pause in policy tightening in nearly two years. The central bank cited expectations of a significant decline in CPI inflation in the near term as one reason for the pause, while also noting that the latest employment figures, specifically the wages element, did not tally with other data it had reviewed. However, while pausing, the Committee also noted that it would embark on further tightening if required.

Retail sales in the UK partially recovered in August, rising by 0.4% m/m following a 1.1% decline in July. Mirroring this, the GfK Consumer Confidence index rose to -21 in September from -25 in August, posting its highest reading since January 2022, with the report's subcomponents suggesting growing optimism about the economy and easing pressures on household spending.

Public sector net borrowing excluding public sector banks (PSNB ex) reached £11.6 billion in August, £3.5 billion more than in August 2022 and the fourth-highest August borrowing since records began in 1993. Borrowing in the financial year to August was £69.6 billion, £19.3 billion more than in the same five-month period last year - but £11.4 billion less than the £81.0 billion forecast by the Office for Budget Responsibility.

The US economy created 187,000 jobs in August, marking the third consecutive month with job gains below the 200,000 threshold. This provided further evidence of a gradual easing of labour market conditions largely attributed to the Federal Reserve's interest rate rises aimed at lowering inflation. According to its preferred measure of inflation, Personal Consumption Expenditure index, prices rose by 3.5% y/y in August after an upwardly revised 3.4% rise in July, matching market forecasts. Meanwhile, the US economy grew at an annualised rate of 2.1% in the second quarter of 2023, unchanged from the previous estimate, and compared to an upwardly revised 2.2% growth in the first quarter. Against this backdrop, the Federal Reserve kept the target range for the Federal Funds Rate at a 22-year high of 5.25%-5.5% at its September meeting but signalled there could be another rate rise later this year.

In the Euro Area, the inflation rate fell to 4.3% y/y in September compared to 5.2% in August, reaching its lowest level since October 2021 and falling below the market consensus of 4.5%, a preliminary estimate showed. GDP, meanwhile, expanded a meagre 0.1% q/q in the three months to June, revised lower from initial estimates of a 0.3% gain. With inflation starting to decline but remaining above the central bank's 2% target, the ECB raised rates for the 10th consecutive time at its September meeting but signalled that it could be minded to a pause in further tightening.

Housing

House prices in the UK continued to decline in August, with the Nationwide House Price Index falling by 5.3% y/y, registering its largest drop since July 2009. By comparison, the Halifax House Price Index fell by 4.6% y/y.

Currency

The MPC’s decision to hold Bank Rate at 5.25%, which surprised some investors looking for a rate rise, saw Sterling fall against both the Dollar and the Euro over the month and reflected a more hawkish tone to policymakers’ outlooks outside the UK.

September	Start	End	High	Low
GBP/USD	\$1.2620	\$1.2206	\$1.2620	\$1.2135
GBP/EUR	€1.1677	€1.1528	€1.1724	€1.1498

Forecast

In the wake of the MPC’s decision to leave Bank Rate at 5.25%, both Link Group and Capital Economics revised their forecasts and now believe that 5.25% (rather than 5.5%) will be the peak in Bank Rate for this cycle.

Bank Rate														
	Now	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Link Group	5.25%	5.25%	5.25%	5.25%	5.00%	4.50%	4.00%	3.50%	3.00%	2.75%	2.75%	2.75%	2.75%	2.75%
Capital Economics	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	4.75%	4.25%	3.75%	3.25%	-	-	-	-

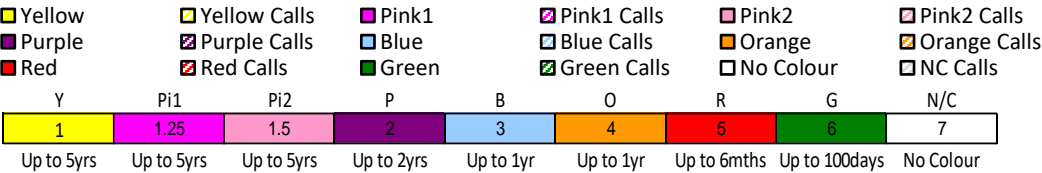
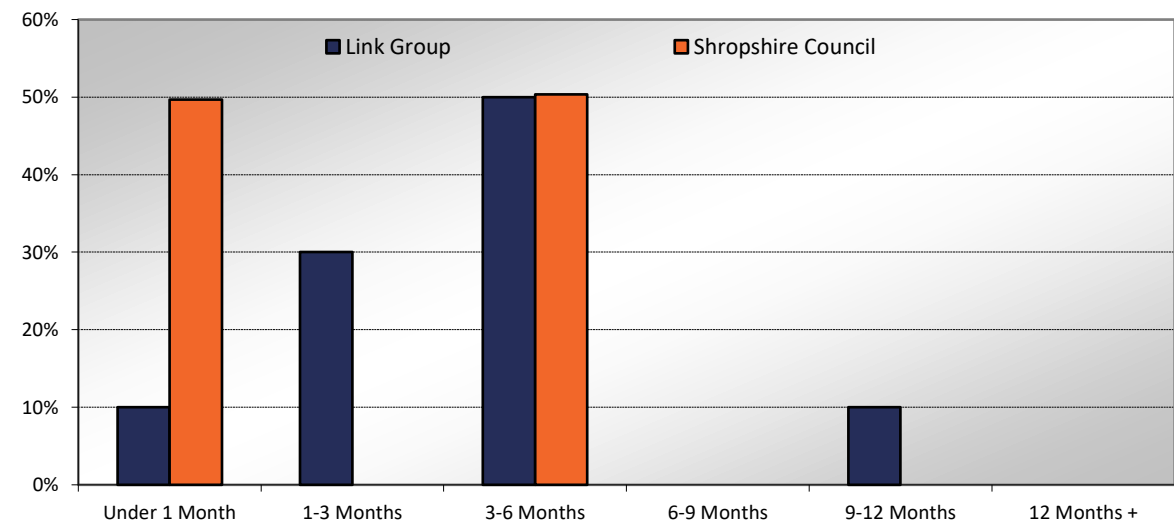
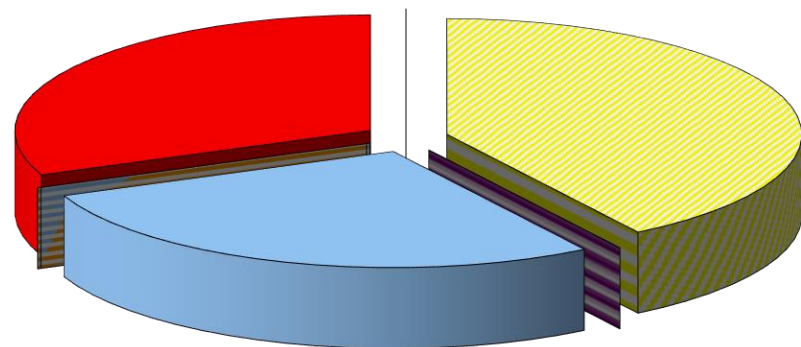
## Shropshire Council

### Current Investment List

	Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default
	MMF Aberdeen Standard Investments	11,700,000	5.29%		MMF	AAAm	
	MMF Insight	11,900,000	5.30%		MMF	AAAm	
	Lloyds Bank Plc (RFB)	5,000,000	4.43%	05/04/2023	04/10/2023	A+	0.000%
	National Westminster Bank Plc (RFB)	2,000,000	5.59%	07/08/2023	19/01/2024	A+	0.014%
	National Westminster Bank Plc (RFB)	5,000,000	4.45%	25/01/2023	24/01/2024	A+	0.014%
	Lloyds Bank Plc (RFB)	3,000,000	5.57%	31/07/2023	31/01/2024	A+	0.015%
	National Westminster Bank Plc (RFB)	2,000,000	4.50%	01/02/2023	31/01/2024	A+	0.015%
	Goldman Sachs International Bank	5,000,000	5.77%	04/08/2023	02/02/2024	A+	0.015%
	Goldman Sachs International Bank	5,000,000	5.55%	29/09/2023	29/02/2024	A+	0.019%
	National Westminster Bank Plc (RFB)	5,000,000	5.77%	18/08/2023	29/02/2024	A+	0.019%
	National Westminster Bank Plc (RFB)	2,000,000	5.64%	15/09/2023	15/03/2024	A+	0.021%
	<b>Total Investments</b>	<b>£57,600,000</b>	<b>5.26%</b>				<b>0.014%</b>

Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

Portfolio Composition by Link Group's Suggested Lending Criteria



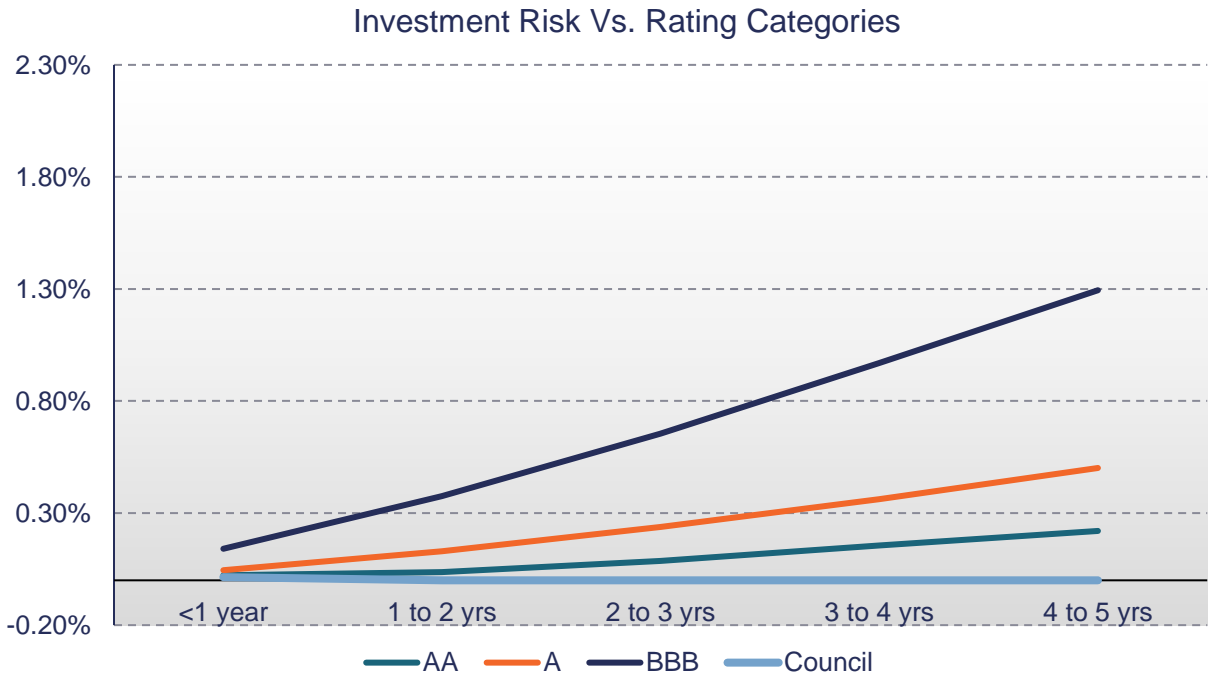
Portfolios weighted average risk number = 2.81

WARoR = Weighted Average Rate of Return  
WAM = Weighted Average Time to Maturity

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	Excluding Calls/MMFs/USDBFs	
									WAM	WAM at Execution
Yellow	40.97%	£23,600,000	100.00%	£23,600,000	40.97%	5.30%	0	0	0	0
Pink1	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Pink2	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	27.78%	£16,000,000	0.00%	£0	0.00%	5.16%	134	264	134	264
Orange	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Red	31.25%	£18,000,000	0.00%	£0	0.00%	5.30%	99	174	99	174
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
	100.00%	£57,600,000	40.97%	£23,600,000	40.97%	5.26%	68	128	115	216

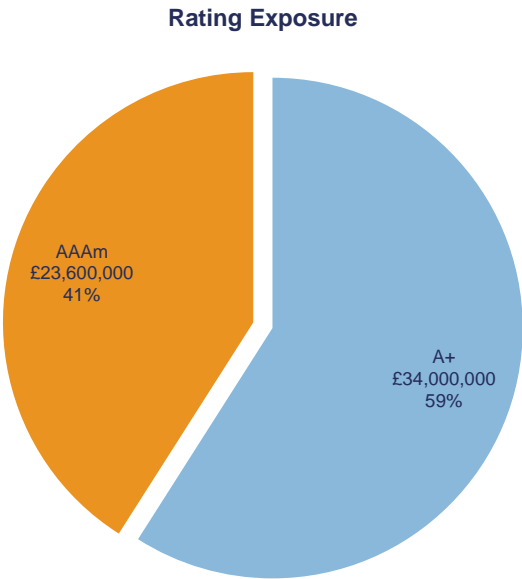
Shropshire Council

Investment Risk and Rating Exposure



Historic Risk of Default

Rating/Years	<1 year	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs
AA	0.02%	0.04%	0.09%	0.16%	0.22%
A	0.05%	0.13%	0.24%	0.36%	0.50%
BBB	0.14%	0.38%	0.65%	0.97%	1.29%
Council	0.01%	0.00%	0.00%	0.00%	0.00%



Historic Risk of Default

This is a proxy for the average % risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It simply provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment.

Chart Relative Risk

This is the authority's risk weightings compared to the average % risk of default for "AA", "A" and "BBB" rated investments.

Rating Exposures

This pie chart provides a clear view of your investment exposures to particular ratings.

Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.



Monthly Credit Rating Changes  
MOODY'S

Date	Update Number	Institution	Country	Rating Action
27/09/2023	1988	DNB Bank ASA	Norway	The Long-Term Rating was upgraded to 'Aa1' from 'Aa2'; The Long Term Outlook changed to Stable from Positive.

Monthly Credit Rating Changes  
FITCH

Date	Update Number	Institution	Country	Rating Action
15/09/2023	1987	Danske Bank AS	Denmark	The Long-Term Rating was upgraded to 'A+' from 'A'; The Long Term Outlook is Stable.

## Shropshire Council

### Monthly Credit Rating Changes S&P

Date	Update Number	Institution	Country	Rating Action

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## APPENDIX B – PRUDENTIAL INDICATORS FOR QUARTER 2

Prudential Indicator	2023/24 Indicator £m	Quarter 1 – Actual £m	Quarter 2 – Actual £m	Quarter 3 – Actual £m	Quarter 4 – Actual £m
Non HRA Capital Financing Requirement (CFR)	462	336	336		
HRA CFR	105	105	105		
Gross borrowing	445	286	286		
Investments	140	69	58		
Net borrowing	305	217	228		
Authorised limit for external debt	546	286	286		
Operational boundary for external debt	475	286	286		
Limit of fixed interest rates (borrowing)	534	286	286		
Limit of variable interest rates (borrowing)	267	0	0		
Internal Team Principal sums invested > 364 days	70	0	0		
<b>Maturity structure of borrowing limits</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Under 12 months	15	0	0%		
12 months to 2 years	15	0	0%		
2 years to 5 years	45	0	0%		
5 years to 10 years	75	23	23%		
10 years to 20 years	100	28	28%		
20 years to 30 years	100	25	25%		
30 years to 40 years	100	12	12%		
40 years to 50 years	100	2	2%		
50 years and above	100	10	10%		

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APPENDIX C -PRUDENTIAL BORROWING SCHEDULE

Prudential Borrowing Approvals	Date Approved	Amount Approved £	Applied (Spent) 2006/07 £	Applied (Spent) 2007/08 £	Applied Outturn 08/09 2008/09 £	Applied Outturn 09/10 2009/10 £	Applied Outturn 10/11 2010/11 £	Applied Outturn 11/12 2011/12 £	Applied Outturn 12/13 2012/13 £	Applied Outturn 13/14 2013/14 £	Applied Outturn 14/15 2014/15 £	Applied Outturn 15/16 2015/16 £	Applied Outturn 16/17 2016/17 £	Applied Outturn 17/18 2017/18 £	Applied Outturn 18/19 2018/19 £	Applied Outturn 19/20 2019/20 £	Applied Outturn 20/21 2020/21 £	Applied Outturn 21/22 2021/22 £	Applied Outturn 22/23 2022/23 £	Budgeted 2023/24 £	Budgeted 2024/25 £	Budgeted 2025/26 £	Budgeted 2026/27 £	First year MRP Charged	Asset Life	Final year MRP Charged		
Monkmoor Campus	24/02/2006	3,580,000																										
Capital Receipts Shortfall -Cashflow Applied:	24/02/2006	5,000,000																										
Monkmoor Campus			3,000,000		0																				2007/08	25	2031/32	
William Brooks					0			3,580,000																	2011/12	25	2035/36	
Tern Valley					2,000,000																				2019/11	35	2044/45	
		5,580,000	3,000,000	0	2,000,000	0	3,580,000	0	0	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0				
Highways	24/02/2006	2,000,000	2,000,000																						2007/08	20	2026/27	
Accommodation Changes	24/02/2006	650,000	410,200	39,800																					2007/08	6	2012/13	
Accommodation Changes - Saving	31/03/2007	(200,000)																										
		450,000	410,200	39,800	0	0	0	0	0	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0				
The Plarman Building	05/11/2009	3,744,000			3,744,000																				2010/11	25	2034/35	
The Mount McKinley Building	05/11/2009	2,782,000			2,782,000																				2011/12	25	2035/36	
The Mount McKinley Building	05/11/2009	0																							2011/12	5	2015/16	
Capital Strategy Schemes - Potential Capital Receipts shortfall - Desktop Virtualisation	25/02/2010	187,600				187,600		-	-	-	0	-	-	-	0.00	-									25			
Carbon Efficiency Schemes/Self Financing	25/02/2010	1,512,442					115,656	1,312,810	83,976	-	-	-	-	-	0.00	-									2010/11	5	2014/15	
Transformation schemes		92,635						92,635	-	-															2012/13	3	2014/15	
Renewables - Biomass - Self Financing	14/09/2011	92,996						82,408	98,258	(87,670)	-														2014/15	25	2038/39	
Solar PV Council Buildings - Self Financing	11/05/2011	56,342						1,283,959	124,584	(1,352,202)	-														2013/14	25	2038/39	
Depot Redevelopment - Self Financing	23/02/2012	0								-	-	-													2014/15	10	2023/24	
Oswestry Leisure Centre Equipment - Self Financing	04/04/2012	124,521						124,521																	2012/13	5	2016/17	
Leisure Services - Self Financing	01/08/2012	711,197							711,197																2013/14	5	2016/17	
Harold House Acquisition	26/02/2015	4,160,000									4,160,000	-													2015/16	25	2039/40	
Harold House Adaptation and Refit	26/02/2015	3,340,000									167,640.84	3,172,358.86	-	-	0.00	-									2016/17	25	2041/42	
Oswestry Leisure Centre Equipment - Self Financing	01/08/2012	290,274												274,239		16,035									2018/19	5	2022/23	
For Parking Strategy Implementation	17/01/2018	590,021													588,497.06	1,524									2020/21	5	2024/25	
JPJT - Investment in Units re Shrewsbury Shopping Centres	13/12/2017	55,299,533											52,204,603	(208,569.18)	2,791,967	320,079.38	191,453								2018/19	45	2042/43	
JPJT - SSC No 1 Ltd	13/12/2017	527,319											527,319															
JPJT - Shareholding	28/02/2019	1															1								2021/22			
Children's Residential Care	28/02/2019	2,000,000														1,381,539	230,765	38,486.70	316,209.69	33,000					2020/21	25	2044/45	
Pride Hill Shopping Centre Reconfiguration - LEP Match	19/12/2019	1,928,978															434,027	842,293	652,658.49						AUC	45		
Pride Hill Shopping Centre Reconfiguration - Feb 22 approval	01/02/2022	197,614																	197,614.21							AUC	45	
Greenacres Supported Living Development	24/09/2020	3,125,000																34,317	41,687.50	2,048,995	1,000,000				2023/24	25	2046/47	
Bishops Castle Business Park	19/09/2019	3,111,899															2,900	1,545,647	1,271,102.21	292,250					2023/24	25	2044/45	
Whitchurch Medical Practice (Pauls Moss Development)	26/07/2018	3,778,228																	171,509.07	3,606,719					2023/24	25	2047/48	
Oswestry Castleview - Site Acquisition	19/12/2019	3,256,241													3,256,241										2020/21	25	2044/45	
Former Morrisons Site, Oswestry	19/09/2019	3,390,145															3,390,145								2021/22	25	2045/46	
Meole Brace Pitch & Putt		5,399,999																11,927	136,348.64	4,748,309	503,415				AUC	25		
Maesbury Solar Farm		2,041,173																	19,681.65	2,021,491					AUC	25		
Commercial Investment Fund	Fin Strat 19/20	5,479,704																				5,479,704				2021/22	25	2044/45
The Tannery Development Block A - Land Acquisition		660,253																62,500	594,752.50	3,000					2022/23	25	2045/46	
The Tannery Development Block A		6,353,605																		1,353,605	5,000,000					AUC		
The Tannery Development - Block B & C		7,467,802													3,677,843.83	3,456,019	311,325	16,614	3,846.79	2,153					2019/20	25	2045/46	
Oswestry Property Acquisition	12/05/2022	3,332,304																	3,332,303.71							2023/24	25	2047/48
Shrewsbury Property Acquisition		3,837,012																	3,837,011.50							2023/24	25	2047/48
Recycling Bin Roll Out Programme		2,029,778															4,395	2,025,383.79								2022/23	10	2032/33
Highways Investment Programme	Capital Strategy Feb 22	31,565,001																	3,983,412	18,011,589.00	3,545,000	3,695,000	2,330,000			2022/23	25	2046/47
Whitchurch Swimming & Leisure Facility	22/09/2022	13,100,282																		390,953.68	4,651,527	5,357,237	2,067,303	633,261		2026/27	45	2046/47
Previous NSDC Borrowing		955,595			821,138	134,457																			2009/10	5/25	2065/66	
		187,551,491	5,410,200	39,800	2,821,138	6,848,057	3,695,656	2,896,333	1,018,015	(1,439,872)	4,327,641	3,172,359	0	53,006,161	4,057,772	10,903,325	4,689,242.81	6,731,043.78	31,002,652.43	22,306,049	21,035,356	4,397,303	633,261					

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**Economic Background and Borrowing Update****Economic Background**

As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.

CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.

In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was “finely balanced”. Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.

The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.

But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.

The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.

### **A summary overview of the future path of Bank Rate**

Our central forecast for interest rates was previously updated on 25th September and sets out a view that short, medium and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.

the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures "further tightening in policy would be required". Governor Bailey stated, "we'll be watching closely to see if further increases are needed".

This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.

### **Borrowing**

It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved Treasury Management Strategy. A list of the approved limits is shown in Appendix B. The Prudential Indicators were not breached during the second quarter of 2023/24 and have not been previously breached. The schedule at Appendix C details the Prudential Borrowing approved and utilised to date.

No new external borrowing was undertaken in the second quarter of 2023/24.

The Council has not undertaken any new borrowing for a number of years, and has been utilising cash balances to internally “borrow” for prudential borrowing schemes. This has enabled the Council to benefit from increased interest costs compared to the returns that could be generated on the cash balances. This approach has been effective during a period where the Council has held significant cash balances.

PWLB rates increased over the second quarter, which is to be expected as the Base Rate has also increased over this period. The table below shows the high/low/average PWLB rates for the second quarter.

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>Low</b>	4.65%	4.14%	4.20%	4.58%	4.27%
<b>Date</b>	06/04/2023	06/04/2023	06/04/2023	06/04/2023	05/04/2023
<b>High</b>	6.36%	5.93%	5.51%	5.73%	5.45%
<b>Date</b>	06/07/2023	07/07/2023	22/08/2023	17/08/2023	28/09/2023
<b>Average</b>	5.62%	5.16%	5.01%	5.29%	5.00%
<b>Spread</b>	1.71%	1.79%	1.31%	1.15%	1.18%

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	<b>Committee and Date</b>  Transformation & Improvement Scrutiny 15 <sup>th</sup> November 2023  Cabinet 22 <sup>nd</sup> November 2023	Item         Public
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## Performance Monitoring Report Quarter 2 2023/24

<b>Responsible Officer:</b>	Helen Watkinson		
email:	Helen.watkinson@shropshire.gov.uk	Tel:	01743 258659
<b>Cabinet Member</b> (Portfolio Holder):	Cllr Robert Macey, Culture & Digital		

### 1. Synopsis

The Shropshire Plan clarifies our vision and priorities, aligning our resources to deliver positive outcomes for our people, businesses and communities. Delivery of our outcomes is measured through the developing Performance Management Framework, demonstrating progress to date.

### 2. Executive Summary

#### Overview

The Shropshire Plan (TSP) was created to clarify Shropshire Council's vision, priorities and Strategic Objectives. These objectives reflect the outcomes we aim to achieve within our available financial envelope. We measure the achievement of TSP by monitoring our performance (using Key Performance Indicators (KPIs) to help measure, drive and understand delivery of our Strategic Objectives) and managing our overall financial position (ultimately delivering our outcomes while remaining within our agreed financial envelope).

The current year, 2023/24, is the year we are prioritising financial management with the aim to create a sustainable financial future. Over this year we need to closely monitor our finances and take decisive and corrective action against any deviation from our approved Medium Term Financial Strategy (MTFS). We are seeking to rebase our

budgets, in line with the outcomes defined in TSP, to secure a modern, efficient, and sustainable base for the Council finances across the 5-year period of the MTFS. This approach is aligned to the recommendations of the LGA peer review and is comparable with the best approaches seen in local government. We will need to make the adjustments this year, but Shropshire residents will reap the rewards for many years to come, through improved financial stability. Against this backdrop we are seeking to maintain our performance and improve it where our financial position allows. Our plans will then expand into the next financial year with a focus on increased efficiency and improved outcomes, redefining the way we deliver our services to optimise delivery of our vision. Beyond that, our emerging intent is to grow our potential, seeking continuous improvement, greater resilience and increased efficiency in all aspects of our work.

## Summary

- 2.1 While the focus of the Council in 2023/24 is necessarily directed at the delivery of a balanced budget, this remains only one of The Shropshire Plan outputs we intend to deliver. Our new Performance Management Framework has been reviewed and strengthened to align with our strategic objectives to become evidence led performance managed council.
- 2.2 Development of our KPIs will continue throughout the year with Portfolio Holders, Executive Directors and Assistant Directors identified for each indicator. Targets, tolerances and benchmarks will be clarified over the coming months, where possible, with regularly updated monitoring information published via the performance webpage at - Performance | Shropshire Council. Online performance reporting will be the main source of performance information enabling greater insight and scrutiny of the Councils performance and delivery of its outcomes as set out in TSP.
- 2.3 Through engagement across all Directorates the PMF has been launched with the focus on using data to inform decisions and actions particularly where performance may not be meeting targets and expectations. As part of the necessary arrangements for delivering TSP, the Council has reviewed and updated its approaches to both performance and financial monitoring. Both areas are now more pro-actively informed by timely activity data and are available to a range of officers to help guide decision making. Interactive dashboards using 'PowerBI' are being developed which will show a summary of KPIs for each Healthy priority through to agreed strategic objectives. It will then be possible to drill down into more detailed information for each KPI including status which is RAG (red, amber, green) rated, trend information and benchmarking where available against England and nearest statistical neighbours.
- 2.4 The Q2 Finance report (elsewhere on this agenda) sets out the financial envelope of the Council and how spending plans and patterns are being managed to deliver a balanced budget.
- 2.5 This Q2 Performance report complements the Finance report but provides a different perspective. We may therefore find that the position on KPIs is favourable, but that the finance position is adverse because the activity levels (the cost drivers) are higher than anticipated.

- 2.6 As part of our new approach feedback on the design and usability of the new report and performance webpage is welcomed. A feedback form will be available for questions and queries, and this will be reviewed with responses provided and published where appropriate alongside the dashboard.

### **Key indicators and Context**

- 2.7 The Q2 performance report is written as an exception report with all key performance indicators being provided in the dashboard which should be viewed in conjunction with this report.
- 2.8 The Q2 report is not complete with all the agreed performance indicators due to the time taken to implement the new approach and the focus on getting it right. Work will continue to move towards a complete PMF set of indicators and progress will be reported at Q3. Due to the change of approach, it should be noted that some of the performance indicators are baseline figures from which targets will be established and then performance monitored against this.
- 2.9 It should be noted that the approach being taken by Shropshire Council is progressive and in advance of many other authorities and places us in a strong position to continually improve our approach to managing performance and ultimately delivering our outcomes as set out in TSP.

## **3. Recommendations**

### **Transformation & Improvement Scrutiny Committee**

- 3.1. It is recommended that Members of the Transformation & Improvement Scrutiny Committee:
- 3.1.1. Review and consider performance dashboard information alongside this exception report.
  - 3.1.2. Note progress to date in achieving the outcomes of The Shropshire Plan (TSP) and identify any areas for future consideration by the committee.

### **Cabinet**

- 3.2. It is recommended that Cabinet Members:
- 3.2.1. Review and consider performance dashboard information alongside this exception report.
  - 3.2.2. Note progress to date in achieving the outcomes of The Shropshire Plan (TSP) and comment as appropriate.

# Report

## 4. Risk Assessment and Opportunities Appraisal

- 4.1. The management of the Council's Performance Management Framework is a key process in ensuring strategic risks are mitigated and the Council can carry out business as intended and planned for within The Shropshire Plan.
- 4.2. The management of key performance indicators is a key process to monitoring progress in the delivery of outcomes as set out in The Shropshire Plan. This provides insight into whether corrective action is required to bring performance back on track.
- 4.3. The performance reports and dashboards provide a high-level lens into the performance of Shropshire Council allowing for further targeted detail analysis to support the mitigation of any risks identified.
- 4.4. Overall, the financial outlook for Shropshire Council is positive, but the levels of risk and challenge are beyond anything previously faced by the Council. In that context, investment of lead officer time in a council-wide leadership programme (Getting Leadership Right) and engagement with an external partner (PwC) are part of the steps taken to rapidly expand capacity and ability to meet the challenges already identified.
- 4.5. The dashboards include instructions for use and a feedback form is available for completion should there be questions or feedback. Members will be shown how to use the dashboards.
- 4.6. Monitoring will be in place using the dashboards so any issues can be resolved in a timely manner.

## 5. Financial Implications

- 5.1. The performance report provides progress on key activity targets which will have correlation to financial performance.
- 5.2. It should be noted that positive improvement on activity may not necessarily correspond to financial improvement, and this should be drawn out in the narrative of the financial and performance reports.

## 6. Climate Change Appraisal

- 6.1. The performance report includes KPI's for Healthy Environment with measures for monitoring Shropshire Council's direction of progress on climate change.



6.2. The following key performance indicators related to climate change are now included:

HEEn8 Net carbon emissions – tonnes of CO<sub>2</sub> per person

HEEn9a Increasing the generation of renewable energy by Shropshire Council (Solar)

HEEn11 % of streetlights converted to LED

HEEn14 number of electric vehicles charging points installed.

Further indicators will be made available as new data becomes available. This will support a positive outcome.

## 7. Background

7.1. Quarter 2 – as of 25<sup>th</sup> October 2023 a total of 70 Key Performance Indicators have been added to the Shropshire Plan report. Additional information will be added in the period between writing of this report and its presentation to members.

7.2. Information on each of these indicators can be found via the performance webpage at - [Performance | Shropshire Council](#)

7.3. The online performance report is now the main source of performance information. This report highlights any exceptions or downturns and explains the causal issues and any corrective actions the service is taking.

7.4. In Q2 there are 3 exceptions that have been raised and these are reported in the additional information section below.

## 8. Additional Information

8.1. There are 3 exceptions to report this quarter. Historical data has been added, which includes several additional indicators relating to systemwide long term public health prevention outcome measures which are flagging as red HP5,11,12,15 an education indicator HEc19 and an environmental indicator HEEn8. These indicators are mainly annual measures and reported in arrears and when new information is published the indicators and comments will be updated. If future exceptions occur, they will be reported to cabinet and relevant scrutiny in the corresponding quarterly report.

8.2. HO6 - At Quarter 2 (April – September), the Council is reporting a BAU ('business as usual') forecast overspend of £32.393m. This forecast assumes that all current plans are delivered, and that no further plans are put into place (hence, BAU). The £32.393m forecast overspend can be summarised as:

- £13.381m of spending reduction targets not yet achieved as at Quarter 2.
- £9.701m budget pressures within Adult Social Care due to higher demand pressure and complexity than anticipated.
- £12.977m budget pressures within Children's Social Care due to higher demand pressure than anticipated

- 8.3. HO18 - The % of staff who have completed their cyber training certificate within the required timescales is currently 83.9%. Cyber security training is a mandatory requirement to help protect data assets of the Council. Whilst some training may be delayed due to sickness and staff turnover the current level is below the expected standard.

The IT team are reviewing the reasons for staff failing to complete training and will be implementing corrective actions, including prevention of IT access to those who have not completed their training.

- 8.4. HO11 - There has been an increase in staff turnover from last quarter. This is largely attributable to seasonal resignations within Shire Services catering service, which is more likely to see leavers during this quarter at the end of the school year. However there has been a significant reduction in turnover when compared to the same period last year.
- 8.5. HP33a - Update on residential admissions. In the Q1 report the admissions of people aged 18 – 64 admitted to long-term residential or nursing care was reported as an exception. During quarter 2 the numbers stabilised and are now back in line with the expected profile.

## 9. Conclusions

- 9.1. The development of the new reporting sees a substantive step change in the reporting of performance with more emphasis on target delivery and comparator information.
- 9.2. The key performance pressure remains the delivery of financial savings which are detailed in the financial report.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

**Local Member:** All

**Appendices**



**Committee and Date**  
22<sup>nd</sup> November Cabinet  
2023

Item

Public



## Shropshire Towns and Rural Housing Performance Update

<b>Responsible Officer:</b>	Mark Barrow		
email:	mark.barrow@shropshire.gov.uk	Tel:	01743 258919
<b>Cabinet Member (Portfolio Holder):</b>	Dean Carroll		

### 1. Synopsis

This report updates Cabinet on the activities, operations and performance of Shropshire Towns and Rural Housing and updates on the progress of work to reset the relationship between the Council and Shropshire Towns and Rural Housing.

### 2. Executive Summary

- 2.1. This report provides Cabinet with an update on the activities, operations, and performance of the Council's Arm's Length Management Organisation (ALMO), Shropshire Towns and Rural Housing (STAR) and provides a summary of the ongoing activities being undertaken to reset the relationship between the Council and STAR.
- 2.2. In response to changes in legislation, regulation, emerging housing need and the needs and expectations of Council residents, the Council along with STAR are reviewing oversight and governance arrangements and structures. It is intended that the outcome of this work will be the development of a refreshed governance framework which will give the Council enhanced oversight and control over its retained housing stock.

- 2.3. The Management Agreement between STAR and Shropshire Council sets out a number of key performance indicators. The indicators along with targets are agreed on an annual basis with delivery against the targets monitored, by exception, on a quarterly basis by the Asset Assurance Board. Shropshire Towns and Rural Housing (STAR) at Appendix A has provided detail on its performance, activities, and operations.

### **3. Recommendations**

- 3.1. To receive the report and raise any issues as appropriate on the performance, activities and operations of Shropshire Towns and Rural Housing and proposals for refreshed governance arrangements.

## **Report**

### **4. Risk Assessment and Opportunities Appraisal**

- 4.1. There are no direct risks associated with the recommendations set out in this report. However, as landlord of the stock the Council is responsible for ensuring that its housing stock is safe and that it meets all statutory and legislative requirements, and that services to its residents meet the standards set by the Regulator of Social Housing and in accordance with the needs and expectations of residents and the wider community.
- 4.2. It is therefore crucial that the Council maintains sufficient oversight and monitoring of the activities of STAR to assure itself that its housing stock and services to its residents are being conducted to the required standards and in line with the Council's expectations.

### **5. Financial Implications**

- 5.1. There are no direct financial implications that relate to the decision contained within this report.

### **6. Climate Change Appraisal**

- 6.1. There are no direct climate change implications that relate to the decision contained within this report.
- 6.2. STAR remains committed to addressing climate change and to the carbon performance of the housing stock. The Asset Management Strategy forms part of the Management Agreement with performance against the Strategy and investment through the Capital Works Programme being monitored by the Council's Homes and Communities team and through the governance arrangements in place to oversee the performance of STAR.

- 6.3. When delivering new build housing STAR Housing aims to achieve the highest energy efficiency rating possible, whilst ensuring that the scheme is financially viable. STAR Housing not only uses a fabric first approach, but also fits air source heat pumps to all new build housing, irrespective of the opportunity to connect to the gas network. When procuring work costs, instead of the works specification containing a set of energy efficiency requirements (other than air source heat pumps), prices are sought for both building regulations compliant works cost; and works cost to deliver a scheme with high energy efficiency levels exceeding minimum building regulations.
- 6.4. In addition to undertaking flood risk assessments, all housing developments will be subject to overheating assessments which will determine if measures to minimise solar gain are necessary; mechanical ventilation systems will be fitted as appropriate; and where possible dwellings will be positioned on a north east / south east axis to prevent extreme heating and cooling.
- 6.5. The proposed STaR Property Investment Plan (PIP) identifies £4M over 5 years to deliver sustainable interventions, to ensure that the Council's social housing asset portfolio reaches the government target of all social homes achieving minimum EPC C by 2030. STaR recently appointed Turner and Townsend to ensure that these interventions are strategically integrated into the PIP and successfully delivered. The resulting Retrofit Strategy Report recommended a number of actions including: addressing data gaps; identifying and mitigating technical risks for retrofit delivery for various archetypes across the portfolio; and investing in technology and digitisation enabling a data-led approach to inform property and project selection. These recommendations are now being incorporated into the organisation and will be reflected in the updated asset management strategy being developed from Q4 for approval by the Council.
- 6.6. In respect of recent activity, the Social Housing Decarbonisation Fund has already been utilised to deliver £1.7M of sustainable interventions, with further projects in the design phase in anticipation of the latest funding release (Wave 2.2). STaR's cost of living crisis fund has supported properties with urgent and addressable need through the delivery of £36,000 of sustainable interventions, with £22,000 invested in loft insulation and £13,400 in cavity wall insulation. The portfolio continues to be managed to ensure that short term opportunities and longer-term programmes are designed and delivered accordingly.

## 7. Background

- 7.1. STAR was launched in April 2013. The Company was set up under the ownership of Shropshire Council for the purposes of undertaking services for the Council's retained housing stock. The Company was formed post the era of Government financial incentives that had previously led several local authorities to set up similar organisations in the preceding decade. As such the key purpose for establishing STAR was the desire to drive improvement and deliver better services for residents of Shropshire Council.
- 7.2. In March 2013 Shropshire Council entered into a Management Agreement with STAR for an initial term of 10 years. In September 2021 Campbell Tickell (CT) were commissioned to undertake a Strategic Review of the Housing Revenue

Account (HRA) having regard to the existing arrangements between the Council and STAR. This review was timed to enable a considered look at the potential options for the HRA moving forward in advance of the ending of the initial term agreement in March 2023.

- 7.3. Having considered a range of options the external review recommended that STAR is retained but realigned with the objectives of the Council. On the 12 May 2022 Council approved the recommendation that STAR was retained and approved to extend the Management Agreement for a further 10-year term.
- 7.4. The contractual arrangement between STAR and the Council is defined in the Management Agreement and Schedule 1 of that document describes the services undertaken and performance expected in the delivery of those services, forming the basis of STAR's performance reporting to the Council.
- 7.5. In establishing the ALMO the Council delegated delivery of operational housing management services, as set out in the Management Agreement, to STAR. The Council however remains responsible overall for the stock and services to its Council housing residents and retains responsibility for its strategic housing function.
- 7.6. Regular reporting to Cabinet on the performance of STAR is necessary to ensure the Council receives the necessary assurance as Landlord and Registered Provider that its housing stock is being managed in accordance with the provisions within the Management Agreement and in line with the expectations of the Council, and in accordance with relevant legislation and regulation.

## 8. Current governance arrangements

- 8.1. The Strategic Housing Team provides Client-side resource to manage and monitor the contract held by STAR for the delivery of the core housing services, as set out in the Management Agreement. The Client resource ensures that services provided are fulfilling the terms of the Management Agreement and that they are provided to expected standards, adhering to latest good practice, regulation, and legislation. Furthermore, the Strategic Housing Team are responsible for ensuring that through its activity, STAR is aligned to and delivering against the Council strategic housing priorities and for ensuring that the Council's responsibilities as a Registered Provider of Social Housing are being met.
- 8.2. The Asset Assurance Board (AAB) provides a high-level framework for discussing future efficiencies, investment opportunities and key challenges and for ensuring that the broad strategic direction of STAR is complementary to the wider Council priorities. Specifically, the role of the AAB is to monitor and advise Cabinet and the Council, as Commissioner, on the performance of STAR.
- 8.3. The governance framework and terms of reference of the AAB have not been reviewed and updated since STAR was established in 2013. It is recognised that due to changes in legislation, regulation, emerging housing need and the needs and expectations of Council residents that a review and refresh of the governance and oversight arrangements between the Council and STAR are required.

- 8.4. To ensure the governance arrangements continue to be fit for purpose and that they provide the Council with the assurance it needs in respect of the management of its retained Council housing stock and services to its residents, an external review carried out by Anthony Collins Solicitors has commenced in September 2023. Finding and recommendations are anticipated towards the end of the year.

## 9. STAR Performance, Activities and Operations

- 9.1. At Appendix A STAR provide detail on their current performance, operations and matters of current significance in the following areas:

- Analysis of achievement against KPIs
- Tenant Satisfaction Measure (TSM) – results of baseline survey and plans for collection from April 2024
- Outcomes of service improvement reviews
- Analysis of the capital programme
- Outcomes of any internal and external audit reports
- Consumer Standard Self-Assessment (proposals)
- Focus on health and safety & compliance – update on current position & progress against audit findings.
- Strategic Risks

- 9.2. Analysis of Achievement against KPIs

9.2.1. The Management Agreement between STAR and Shropshire Council sets out a number of key performance indicators. The indicators along with targets are agreed on an annual basis with delivery against the targets monitored, by exception, on a quarterly basis by the Asset Assurance Board.

9.2.2. At Appendix A Section, A 3.0 STAR, has detailed their current performance, reporting by exception, showing areas of performance in which, they are currently not meeting the targets set by the Council. Instances of underperformance occur in the areas of Allocations and Voids, Complaints, Repairs and some aspects of Compliance.

9.2.3. Monitoring of STAR's performance in these areas is a key focus for monitoring by the Strategic Housing team and the Asset Assurance Board. It is expected that improvements in underperformance should be achieved by Q4 2023/24, progress to achieving improvements in these areas will be monitored over the coming months by the Asset Assurance Board and the Strategic Housing Team.

- 9.3. Tenant Satisfaction Measures

9.3.1. Tenant Satisfaction Measures are being introduced as part of the revised regulatory regime of the Regulator of Social Housing. The 22 measures, 12 to be collected through tenant perception surveys and 10 to be collected through management information came into force on 1 April 2023. Data



across the measures has to be completed by 31 March 2024, and annually thereafter.

- 9.3.2. At Appendix A, Section B, STAR set out their approach to data collection on behalf of the Council and provides a broad overview of the outcomes from a baseline survey completed in October 2022.

#### 9.4. Service Improvement Reviews

- 9.4.1. Since March 2023 STAR have begun four key service reviews the detail of which is shown at Section C of Appendix A. STAR are to present findings and recommendations from these reviews to the Asset Assurance Board. These reviews are intended to address some performance issues, and to ensure that the organisation is well placed to deliver in accordance with the terms of the revised Management Agreement and to meet the requirements of the new Consumer Standards.

#### 9.5. Housing Revenue Account Capital Programme

- 9.5.1. Under the terms of the Management Agreement STAR is required to deliver the Council's capital investment programme. At Section D of Appendix, A STAR set out their progress in delivering the approved programme.

#### 9.6. Consumer Standards Self- Assessment

- 9.6.1. Within this section of STAR's report at Appendix A they set out the approach the organisation is taking to undertaking a self-assessment against the revised Consumer Standards. This work alongside the outcome of the pilot inspection and the TSM data will give the Council an understanding of how it is positioned to meet the requirements of the new regulatory regime and to better understand how, through its Housing Management arrangements, it is meeting and responding to the needs of individuals and families living with its housing stock.
- 9.6.2. The self-assessment will be overseen by the Strategic Housing Team, with the Client and Commissioning Manager forming part of the project steering group. The proposed approach will be resident led, with Council residents actively involved in scrutinising services.

#### 9.7. Health and Safety and Compliance

- 9.7.1. Although a feature of the KPIs, STAR in the report provide a focus on the current position on the health and safety and compliance of stock.
- 9.7.2. Section G, Appendix A sets out the current position in respect of gas safety at 100% compliance; electrical safety (domestic) at 98.68%; electrical safety (communal) at 94.9%; legionella at 100%; asbestos management plans (communal) at 100% and 80.2% on re-inspections, asbestos (domestic) 83.5%; fire risk assessments at 100%, progress against actions arising for the fire risk assessments are shown at Section G, 5.3.

#### 9.8. Housing Revenue Account(HRA)



- 9.8.1. Under the terms of the current Management Agreement STAR undertake the day-to-day management of the HRA in accordance with reasonable directions from the Council. It is set out within the Management Agreement that the Council is and remains statutorily responsible for the HRA.
- 9.8.2. To support the day-to-day management of the HRA and to assist STAR in providing advice to the Council on how best to make use of the resources within the HRA, STAR has undertaken to purchase a business planning tool to ensure STAR can consider the financial management of the HRA over a 30 year period, undertake appropriate stress testing of the plan and to make recommendations to the Council on medium and long term financial decisions.
- 9.8.3. STAR advise that proposed system will be implemented by Q4 23/24, allowing for the development and implementation of the 2025 HRA business plan for consideration by Council during Q4.

## 9.9. Strategic Risk

- 9.9.1. STAR provide an overview of their strategic risk at Section I. In addition to the risk register held and monitored by STAR the Council maintains a register of risk which is monitored and reviewed by the Asset Assurance Board.
- 9.9.2. A risk workshop between the Council and STAR scheduled to take place in December will consider how STAR and its board manages risk and will ensure that the recorded risk across the Council and STAR in relation to the landlord function and the HRA are aligned.

## 10. Additional Information

- 10.1. The Council is to participate in the Regulator of Social Housing (RSH) pilot inspection programme on the new Consumer Standards and inspection regime. The pilot is due to commence in October 2023 with findings available to the Council in late December 2023 to early January 2024. Scoping meetings between the Council and the RSH are due to take place towards the end of September 2023.
- 10.2. Anthony Collins Solicitors has been commissioned to undertake a Governance review to identify how to strengthen the management, oversight and assurance arrangements between the Council and STAR.
- 10.3. The review commenced in September 2023 with an expected duration of two months. Along with the governance arrangements of STAR and the Council, the review will also consider any opportunities there be may in combining oversight and governance arrangements of STAR with the oversight and governance arrangements of Cornovii Developments Limited.
- 10.4. The finding and recommendations of this review, along with other ongoing activity, notably the Council's engagement with the Regulator of Social Housing pilot

inspection programme, will form part of a set of proposals for the future governance and operating arrangements between the Council and STAR

## 11. Conclusions

- 11.1. Cabinet is asked to receive the report and raise any issues as appropriate on the performance, activities and operations of Shropshire Towns and Rural Housing and proposals for refreshed governance arrangements.
- 11.2. As detailed within this report and Appendix A there are some areas of performance notably, voids, repairs and complaints management that are currently outside of target. The Asset Assurance Board along with the Strategic Housing department will continue to closely monitor progress in these areas with the expectation that performance will move closer to achieving target by Q4 2023/24.
- 11.3. Significant work is underway, through the Governance review, participation in pilot inspection and self-assessment against the Consumer Standards to ensure that the oversight and monitoring arrangements of STAR remain fit for purpose and that the Council can respond to the changes within the regulatory regime for registered providers of social housing.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

**Local Member:**

**Appendices**

Appendix A STAR Performance, Activities and Operations Update

## STAR Housing Report to Council.

### A Analysis of achievement against KPIs with commentary

- 1.1 As part of the management agreement between STAR Housing and Shropshire Council, various key performance indicators have been set in order to measure the delivery of outcomes by STAR its management of the HRA.

#### Current Situation

- 2.1 We are in the process of reviewing how we report performance to the Board and other bodies and there is a possibility that this report will change format over the coming months.

### 3.0 Performance Exceptions Reporting

#### Voids

STAR/ TSM Ref	Description	Quarter 1 23/24	Quarter 1 22/23	Period 4	Target	Comments
<b>A1 - Allocations and Voids</b>						
A1i	Average time in days to relet empty properties - All Voids	98	72	87	37 (+5)	100 voids relet this year q1 - 136 Period 4
A1i/a	Average time in days to relet empty properties - General Voids	83	56	75	28 (+5)	87 voids relet this year Q1 - 121 P4
A1i/b	Average time in days to relet empty properties - Major Work Voids	220	150	152	52 (+5)	13 voids relet this year q1 - 15 Period 4
A1ii	Rent loss due to empty properties (voids) as a % of rent due	2.9%	2.4%	2.6%	1.5% (+0.2)	

- 3.1 Average time to let a property has increased compared to Q4 23/24 but this can be attributed to the backlog reducing, meaning that a number of the voids that have been outstanding for some considerable time, will have a significant impact on the void turnaround times once let on the system. Number of voids processed in Q1 compared to last year have increased significantly, two extra major works, and time taken to appoint overflow contractors are also contributory factors.
- 3.2 The trend is positive going into Period 4 23/24 though as a push to increase signups has increased the number of quick let properties significantly which has seen relet times on average drop by the end of July. Work has also been done to utilise the system more to get to one version of the truth. Major and Minor voids are now easily identifiable but some consolidation is still required and will be throughout the year.
- 3.3 The average void turnaround time for any voids which have been issued to STAR Housing since April 2023 is 50 days, whilst still above the target. As the backlog decreases this is expected continue falling.

#### 4.0 Complaints

STAR/ TSM Ref	Description	Quarter 1 23/24	Quarter 1 22/23	Period 4	Target	Comments
<b>B1 - Customer Service and Information</b>						
CH02 & CH01	% Complaints responded to within Code timescales (10 working days)	79.17%	100%	72%	90% (-5)	19 of 24 (23 of 24 if extensions are taken into account) Q1 - 23 of 32 (24 of 32 if extensions are taken into account) Period 4 (cases for the year CH01) (MIM)
B1ii	Satisfaction with complaint handling <i>Own Survey</i>	100%	69%	90%	70% (-5)	11 of 11 satisfied Q1. 18 of 20 satisfied P4 #% margin of error, therefore between #% & #% satisfied.
B1iv	Number of customers registered to access services online as a % of properties managed	14%	10%	14%	14% (-5)	542 portal users. This is an in time measure so no difference between Q1 and P4.

- 4.1 Complaints responded to within 10 days has decreased year on year but the indicator is misleading as Code allows extensions to deal with complex issues. If extensions were taken into account complaints responded to in time would increase to 95.83%. Period 4 shows a downwards trend in performance in this area regardless of extensions. Overall satisfaction with complaints handling is up however and significantly above target. The number of tenants using the tenant portal has also significantly increased year on year due to a push from the comms team in this area.

#### 5.0 Repairs

STAR/ TSM Ref	Description	Quarter 1 23/24	Quarter 1 22/23	Period 4	Target	Comments
<b>C2 - Repairs and Maintenance</b>						
C2iv/c	% of routine repairs completed on time (28 days)	76%	65%	76%	80% (-10)	1518 of 1992 completed on time Q1. 1952 of 2558 completed on time P4.
C2iv/d	% of programmed repairs completed on time (6 months)	72%	55%	74%	75% (-10)	120 of 167 completed on time Q1. 183 of 246 completed on time P4.

- 5.1 Repairs performance is improved year on year but down significantly from Q4 22/23. This can be attributed to a number of historical jobs being completed on the system due to a great effort on the repairs team to reduce the WIP. Q1 to P4 shows an improving picture but there are still backlog jobs to be dealt with which may impact performance in future periods. At 30th June, we had 1946 jobs, of which 1000 were overdue, only 156 had future appointments. A healthy WIP would be around 800 jobs, with less than 20 overdue, with 750 with future appointments. At 21st Aug, the WIP was reduced to 1364 jobs, 462 have future appointments and 609 overdue. Our goal is to reduce the WIP to circa 900 jobs for the end of September.

## **6.0 Compliance**

STAR/ TSM Ref	Description	Quarter 1 23/24	Quarter 1 22/23	Period 4	Target	Comments
<b>C4 - Servicing and Testing</b>						
<b>C4i/a BS03</b>	<b>% of properties where required asbestos management surveys have been carried out</b>	<b>81%</b>	<b>88%</b>	<b>83%</b>	<b>100% (-0.50)</b>	<b>620 reports due, of which 512 in programme &amp; 38 access letters. (MIM)</b>
<b>C4ii BS01</b>	<b>% of properties with a valid gas safe certificate</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100% (-0.20)</b>	<b>(MIM)</b>
<b>C4iii</b>	<b>% dwellings with an electrical safety certificate less than 5 years old</b>	<b>99.2%</b>	<b>98.4%</b>	<b>98.7%</b>	<b>100% (-0.50)</b>	<b>30 are listed buildings/shared ownership.</b>

- 6.1 Compliance performance has mostly remained consistent moving from Q4 22/23 into Q1. Work is being done within the compliance team to get to one version of the truth using the Housing Management System. Work is ongoing.

## **B Tenant Satisfaction Measure – results of baseline survey and plans for collection from April 2024**

### **1.0 Introduction**

- 1.1 Following on for the Social Housing White Paper, The Regulator of Social Housing has created a new system for assessing how well social housing landlords in England are doing at providing good quality homes and services. In addition to introducing revised consumer standards, this will involve a set of tenant satisfaction measures that social housing landlords must report on. People will be able to use these measures to understand how well landlords are doing.

- 1.2 There will be 22 TSM, 12 to be collected through tenant perception surveys and 10 to be collected through management information. The timescale for the roll out of the TSMs is:

- TSMs came into force 1 April 2023
- Data collation to be completed by 31 March 2024
- Submission to the Regulator by “Summer” 2024
- Results published September 2024

This must be repeated every 12 months.

## 2.0 Current Position

- 2.1 In October 2022, STAR contracted Aquity to conduct a Baseline survey of 50% of tenants in preparation for the upcoming Tenant Satisfaction Measures (TSM).

The aim of this survey was to provide data on resident satisfaction, which will allow us to:

- Provide an up-to-date picture of residents’ satisfaction with their homes and with the services provided by STAR
- Introduce the new TSM questions to familiarise residents with them and the organisation with the collection and publication of the required data
- Analyse satisfaction by tenure, area of operation, age range, length of tenancy, and gender, where appropriate

- 2.2 The survey was undertaken by post and sent out to around 2,000 residents with the aim to complete in excess of 350 responses but ideally up to 520 to give the required margin of error.

A breakdown of the sample is as follows:

Client group	Population	Sample	Total number of interviews	% interviewed	Margin of error
General needs residents	3,700	1,833	377	10.2%	±4.8%
Independent Living	300	151	39	13.00%	±14.6%
<b>Total Rented</b>	<b>4,000</b>	<b>1984</b>	<b>416</b>	<b>10.4%</b>	<b>±4.5%</b>
Shared owners	200	18	1	5.6%	±97.8%
<b>Total Residents</b>	<b>4,200</b>	<b>2,002</b>	<b>417</b>	<b>20.8%</b>	<b>±4.6%</b>

This survey is the first survey to use the new TSM questions and it generally shows good levels of satisfaction with the services provided by STAR Housing.

### Summary of Positive Points

- 81% of residents are satisfied with the overall services provided by STAR
- 80% are satisfied with the repairs service in the last 12 months and the safety of their home.
- 79% find STAR Housing easy to deal with
- 78% feel they are treated with respect
- 86% satisfaction with the neighbourhood as a place to live
- Satisfaction at STAR is above the median on most of the measures with the upkeep of the communal areas and how they handle ASB in the top quartile
- Positive Net Promotor Score of 41 for general needs and 50 for independent living residents. To put this in to context, in the commercial sector, it is reported that companies with the most

efficient growth operate with an NPS® of 50 to 80. The average company stutters along at an NPS® of only 5 to 10.

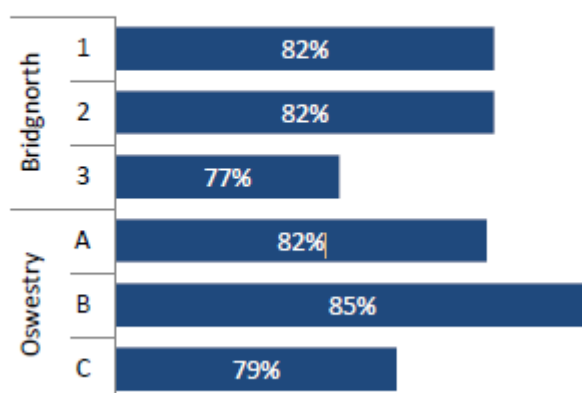
2.3 The levels of dissatisfaction don't exactly correspond with the lower levels of satisfaction, although the most is for the complaints handling whilst there remains dissatisfaction with the repairs service:

2.4 Summary of Negative points

- 39% of residents are dissatisfied with how complaints are handled
- 16% are dissatisfied with Repairs
- 15% dissatisfied with the time taken to complete the most recent repair
- 13% dissatisfied Repairs in last 12 months
- Satisfaction with overall services has dipped by 7% since 2019, however, this is being seen across the sector
- How STAR treats its residents fairly and handles complaints are both in the third quartile
- Keeping residents informed about things that matter to them in falls in to the lower quartile.

2.5 We operate over six patches, three in Bridgnorth and three in Oswestry. The chart below shows that satisfaction is highest in Oswestry patch B (85%), just a little ahead of Bridgnorth patches 1 & 2 and Oswestry patch A (all 82%). Least satisfied are those in Bridgnorth patch 3 (77%).

*Figure 2.4: Satisfaction with the overall services by patch*



2.6 Bridgnorth Patch 3 covers Alveley, Bridgnorth Town, Worfeld, Tasley and the Grove. The latter two have the highest density of STAR properties. Oswestry Patch C covers St Martins, Oswestry outskirts and Gobowen.

### 3.0 Plans for 23/24

3.1 STAR Housing have procured Acuity to conduct the TSM surveys again this year. By partnering with Acuity for the TSM surveys, we aim to gather more comprehensive and representative data. While we have traditionally relied on postal surveys in the past, we recognise the need to adapt our approach to ensure a wider demographic is included and to increase the overall number of respondents.

3.2 The decision to switch to a telephone survey was driven by our desire to reach a larger audience and capture a more diverse range of perspectives. By conducting interviews over the phone,

we hope to engage with individuals who may not have participated in previous years or who may have faced barriers in completing postal surveys.

- 3.3 To ensure that our survey results meet the standards set by both the Regulator and Housemark, it is crucial that we achieve enough responses to achieve a sampling error of +4% at the 95% confidence level. This level of accuracy will provide us with reliable insights into our tenant satisfaction levels and enable us to make informed decisions based on robust data. Based on statistical calculations, we have determined that we need 522 respondents.
- 3.4 The telephone interviews will commence on 25th September and we aim to bring an initial report to the customer services committee.

## **C Outcomes of any service improvement reviews**

- 1.1 STAR Housing have begun four key service review since March 2023:
- IT and Business Transformation Review
  - Repairs and Maintenance Health Check
  - HQN Shropshire Council and STAR Housing Workshop
  - Finance Review
- 1.2 All the reviews are currently being undertaken however there are some early recommendations which are detailed below.

### **2.0 IT and Business Transformation Review**

- 2.1 Shaw consulting were appointed to undertake an IT review for STAR Housing, Shaw consulting were asked to review STAR Housing current IT infrastructure and make recommendations on how STAR Housing can best place itself for the future and the new regulatory framework. The first element of the commission has been completed recommending a five year IT strategy and plan. The second element of the commission is starting in October 2023.

### **3.0 HQN Shropshire Council and STAR Housing Workshops**

- 3.1 The Campbell Tickell report on the future of STAR Housing recommended the retention of STAR Housing and made the recommendation that STAR Housing remit needs to be re-aligned with, and clearly delivered against Shropshire Council priorities, through a refreshed partnership-based approach with closer operations and potential development aligned with the Council other owned
- 3.2 The workshops were commissioned to help realise this shared ambition of delivering the key outcomes from the Campbell Tickell report. The workshops aim to begin the work to refresh and realign the relationship and arrangements between STAR Housing and Shropshire Council.
- 3.3 In April 2023 the council and STAR Housing commissioned HQN to facilitate these workshops to assist STAR Housing and the council in developing its shared objectives. These shared objectives will be used as the basis for STAR Housing 2024-2027 Corporate Plan.
- 3.4 In advance of the setting up of the workshops HQN undertook an extensive review of key Star Housing and Shropshire Council housing documents including the Housing Strategy and the existing STAR Housing business plan. Following the review, it was agreed that four workshops would be held. The workshop themes are outlined below:
- 1) Homes
  - 2) Business Planning and Finance
  - 3) Growth
  - 4) Governance



- 3.5 The workshops were held between May and July 2023 and made a number of key recommendations. These recommendations are being considered by the STAR Housing board, the council and other key stakeholders.

#### **4.0 Repairs and Maintenance Health Check**

- 4.1 In June 2023 following feedback from the TSM and a number of other reviews, STAR Housing commissioned a repairs and maintenance health check. The driver for the health check is to best place STAR Housing to prepare itself for the new approach to social housing regulation to commence in 2024 (including new inspection regime). The review was required to:

- To provide an independent assessment of the extent to which STAR Housing organises, orchestrates and delivers housing maintenance services:
- Shaped around the reasonable expectations of tenants
- Within an overall strategic asset management plan for the stock
- Employs best practice and other standards and approaches that compare favourably with those housing providers considered to be maintenance service exemplars
- In accordance with regulatory requirements (proposed consumer standards)
- Efficiently, economically and effectively

- 4.2 The review would identify what works well and not so well, improvements that could and should be made and identify priorities for action and potential short, medium and long term plans for the service.

- 4.3 The review has made a number of key recommendations which include:

- Better communication with tenants
- There is sufficient capacity to manage the responsive repairs effectively and deliver services to agreed standards
- The stock receives the full range of preventative and cyclical maintenance activities necessary to protect the asset base and ensure tenants homes are improved in a timely manner
- IT is used effectively
- The backlog of pandemic related repairs is eradicated

- 4.4 The key recommendation from the report will now be considered by the Operations Team and taken forward for implementation.

#### **5.0 Finance Review**

- 5.1 STAR Housing have recently begun a review of its finance service to ensure the finance team move from a technical finance function to a business partnering approach. This review has made a number of recommendations associated with the structure of the team, the systems which are being used, internal processes and long-term business planning.

- 5.2.1 The Corporate Director is in the process of implementing these recommendations and the finding of the report have been endorsed by the STAR Housing board.

#### **D Analysis of the capital programme**

- 1.1 STAR Housing planned maintenance programme continues to progress, albeit at a slower pace than expected. A slower start to the year indicates that several programmes are underspent compared with where we would expect to be at this time in the year but recovery plans are in place to ensure the programme will recover to

target spend and delivery. The Planned Maintenance team have a number of staffing vacancies where recruitment is ongoing, with key post being filled to support the second half of the year.

- 1.2.0 The property investment plan remains an ongoing focus as we continue to strengthen and improve our data and understanding of our properties and our asset data. This was updated in August 2023 to ensure that our component lifecycles are in-line with sector best practice and that cost assumptions are refreshed. This was reported to the Development, Sustainability and Strategic Investment Committee in more detail and will form the basis of the development of the 2024/25 programme which will begin development in October 2023 to align with budget setting.
- 1.2.1 We have received the outcome of a report commissioned by Savills to complete a validation exercise on our stock condition and property data underpinning our property investment plan. The desktop validation of the component data identified that the data collected is accurate, there were a few anomalies identified, but nothing considered to be material to the validity of the 30-year plan. It was recommended that STAR Housing consider changing the life cycles adopted for kitchens (30 years) and bathrooms (40 years) to align to best practice. We were already in the process of completing this transition which will be reflected in any future plans.
- 1.2.2 The kitchen and bathroom programmes have continued with a smooth transition to new contractual providers following termination of the previous contractor. These contracts are being closely monitored and inspected to ensure we deliver high-quality services to customers and cost management is being controlled through improved request for payment processes and increased levels of on-site sign off and inspection.
- 1.2.3 Our stock condition collection programme is progressing but is slightly behind target. We have completed 17% of the required stock condition surveys needed this year to maintain our 100% level. The resource focussed on this work has been at 50% capacity as a role has been held due to the restructure and other resource has needed to support other programmes with Shropshire Council. Recruitment is commencing for a new resource, and it is still expected that we will reach target levels at the year end. We are refreshing our stock condition forms in the meantime to ensure when we accelerate the programme, that our data collection scope improves. EPC surveys remain on-hold because of ongoing data access issues with Elmhurst. Further options are being explored and Board will be updated at the next meeting.
- 1.2.4 We currently have 81 properties (2.36%) of stock that are non-decent. All components are on the programme this year to upgrade, with the target to be at 0% by the end of March 2024.
- 1.2.5 Our Social Housing Decarbonisation Fund pilot in Gobowen has successfully completed and was completed under budget. Initial feedback from customers has been excellent, although we do need to analyse pre and post energy usage through the winter to fully evaluate the success of the project.
- 1.2.6 We continue to progress our aids and adaptations programme and have received 28 referrals to date until 1<sup>st</sup> August 2023. 12 of these are complete with the remaining in the process of review and planning. £61,000 of our £250,000 budget has been spent so far. Satisfaction for this programme has not traditionally been collected, and is being considered for future collection.

- 1.2.7 We have nine contracts in asset management that are due to expire this year. Good progress has been made across the Asbestos, Windows, Fire, and Air-source heat pump contracts. The Asbestos and Air Source Heat Pump contracts are in the final stages of legal review prior to signing. Fire Safety contracts have been signed and work is commencing, and Window procurement is currently sourcing quotes for review. We have used a balance of frameworks and procurement routes to ensure we have a balanced supply chain including smaller and larger contractors, utilising local contractors where this is appropriate and value for money to do so. A small group of residents were invited to a focus group to support development of the specification for new Kitchen and Bathroom contracts which is a first for STAR and is something we wish to engage residents in more. A more detailed procurement update will be presented to Board in Q4 2023 to provide an overview of the activity and impact on budgets and service quality.

## **E Consumer Standard Self-Assessment**

- 1.1 On 20 August 2023, the RSH published the proposed new consumer regulation framework for consultation. The proposed regulatory framework continues with the principle of co-regulation between the regulator and landlords and builds on the “effective proactive economic regulation when assessing a provider”, which the Housing Association sector is familiar with, but ALMOs and Local Authorities are not.
- 1.2 The RSH are consulting on the proposed standards for a period of 12 weeks. Shropshire Council as the registered provider will be seeking to respond to the consultation. We will work with the Council in any response or submission. Overall response to the proposals have been positive by the sector at large, and it is worth noting that following the consultation on the new TSMs previously, that the changes following consultation were minimal, and the direction of travel and principles remained.
- 1.3 The regulator has set out some principles that the new consumer regulation framework would need to follow. The new standards and requirements would need to: make a meaningful difference to tenants; be deliverable by landlords; and be ‘regulatable’ by the regulator.
- 1.4. The consumer standards are intended to be outcome-focused, meaning that registered providers can meet the outcomes in the most appropriate way for their tenants and their business. The new regulatory standards take account of the RSH revised objectives, which now explicitly include safety, transparency and energy efficiency, and the range of commitments set out in the White Paper. The key points are outlined below:
- The Safety and Quality Standard – requires landlords to provide safe and good quality homes and landlord services to tenants.
  - The Transparency, Influence and Accountability Standard – requires landlords to be open with tenants and treat them with fairness and respect so that tenants can access services, raise complaints when necessary, influence decision making and hold their landlord to account.

- The Neighbourhood and Community Standard – requires landlords to engage with other relevant parties so that tenants can live in safe and well-maintained neighbourhoods and feel safe in their homes.
  - The Tenancy Standard – sets requirements for the fair allocation and letting of homes and for how those tenancies are managed and ended by landlords.
- 1.5. The Act amends the Housing and Regeneration Act 2008 to give the regulator the power to issue a code of practice on consumer issues. This mirrors the current approach taken by the regulator on consumer standards. The new Code of Practice aims to help tenants and landlords understand how compliance may be achieved with the proposed consumer standards.
  - 1.6. The draft code of practice supplements the consumer standards. The code is designed to expand on some of the requirements in the consumer standards. Content is amplified and illustrative examples are used. The code aims to help providers understand what the regulator is looking for when seeking assurance from them on meeting the standards. In essence it sets out good practice rather than regulatory requirements. Providers are advised to have regard to the code when assessing their compliance against the Standards. However, it is the standards rather than the code that registered providers must meet. The code gives examples of how providers might achieve compliance, but they are not intended to be either exhaustive or prescriptive.
  - 1.7. It is expected that the new consumer regulation framework will take effect from April 2024. The detail set out in the new regulatory framework is greater than the previous consumer standards, and combined with the introduction of a new regulatory inspection programme below, will certainly present challenges to the Governance and Operations of STAR to adapt and prepare effectively.

## **2.0 STAR Housing and the council joint approach**

- 2.1 It is critical that STAR and Shropshire Council prepare effectively for the introduction of the new regulatory regime, especially given this is a new process for both. This preparation will need to address three key areas:
  - Self-assessment against the proposed standards
  - Readiness for inspection
  - Mobilisation of resident scrutiny function
- 2.2 To ensure we remain confident of our compliance status with the propose standard we are preparing for a comprehensive self-assessment of STAR against the Consumer Regulation Standard. The proposed approach will be both resident-led and management-supported to ensure transparency, effectiveness, and adherence to the prescribed standards. The approach will need to be overseen by Shropshire Council as the Registered Provider. We have prepared our proposed approach with the Council who are comfortable with the approach and will form part of the project steering group.
- 2.3 The proposed approach to the self-assessment is summarised below,
  - The approach will involve residents at it's heart, ensuring they are actively involved in scrutinising our services

- The review will be coordinated and supported by HQN, an external expert in regulatory self-assessments. They will support, coach and advise residents through the process
  - The process will involve staff interviews, document collation, and review of performance information mirroring the process for an inspection from the regulator.
  - HQN and residents will develop a findings report along with recommendations to provide to STAR, highlighting strengths and areas for improvement.
  - STAR will provide a management response to residents on their findings and recommendations.
  - The project will work under oversight of Executive Committee and Shropshire Council
  - The findings and recommendations will be presented to both Customer Service Committee and Board for discussion and noting, along with STAR's proposed action plan to respond to findings.
  - The self-assessment process will collate best practice and also utilise the HQN model assessment toolkit.
  - The project is targeting the findings and recommendation to be available for review by Board in Q4
- 2.3 The outcome of this work will be an overview of our strengths and areas for improvement in relation to the standards – allowing some time to correct or address anything significant identified.
- 2.4 To support readiness for inspection by Shropshire Council and STAR, the Council has put themselves forwards to be part of a pilot inspection to be completed by the regulator in October / November. This work will be developed and prepared in the coming weeks with the regulator and presents a good opportunity for all stakeholders to learn and develop. This will certainly require involvement and input from STAR and could involve the RSH observing relevant meetings and interviewing key Board members.
- 2.5 Resident scrutiny is an essential factor that the regulator will be looking for when completing their inspections and in considering how we are meeting certain standards around engagement. The sector generally has a well-established approach to scrutiny through a range of different governance arrangements. At the heart of many approaches is a resident scrutiny panel through which residents can effectively challenge and scrutinise performance and influence decisions at a strategic level
- 2.6 In the past STAR have had successful Area Panels that over recent years have reduced and there is currently no structured mechanism for residents to hold us to account and scrutinise our services. It is proposed that HQN also support us in the development of a new scrutiny arrangement, including providing coaching and on-going support to the new members.
- 2.7 There are 18 residents who have previously expressed an interest in being part of a resident scrutiny panel who will be invited to take part in the process. We will work to ensure that the panel remains representative of the wider Shropshire and STAR community as the project progresses.

- 2.8 More detailed reports for approval and discussion on the development of the resident scrutiny arrangements will be presented to board and AAB as the work progresses. We would hope that the panel would be fully operational from April 2024.

## **G Health and safety & compliance**

- 1.1. An Interim compliance dashboard is being used to monitor compliance. The categories and KPIs within it are currently the subject of review by Roger Smith, Interim Compliance Manager and Jatender Dhadwal, Principal Consultant from Compliance 100 and may be revised in future reports. A summary of the current position of compliance in each of the key six areas of compliance is set out below. Where further significant progress has been achieved since 31 July, the details will be included within the commentary.
- 1.2. We are continuing to review our approach to reporting and aim to improve transparency as part of this. The language around overdue and outstanding continues to cause confusion. New definitions are being used.
- **Actions:** Any task set out within an action plan in response to recommendations on a risk assessment or survey.
  - **Current Actions:** Actions which are not yet completed.
  - **Closed Actions:** Actions which are no longer current due either to having been carried out/completed or no longer necessary.
  - **Overdue Actions:** Actions that have not been completed before their recommended period
- 1.3. STAR is currently working towards the following general timeframes:
- Very High = Immediate action required
  - High = 30 days
  - Medium = 2 months
  - Low = 4 months
- 1.4. Under certain circumstances, it will not be possible to complete a designated action within the set timescales, (e.g. due to extended lead times on delivery of a replacement part). Where this is the case, particularly for high priority actions, alternative remedial measures should be taken to manage the risk. Where possible, these are set out in the commentary.

## **2.0 Gas, Oil, Solid Fuel and Air Source Heat Pumps Safety**

- 2.1.1 The current position for Gas Safety represents 100% compliance with all of the 3,439 domestic properties currently on the programme holding a Landlord Gas Safety Record (LGSR) / CP12 that is less than 1 year old. A copy of the LGSR for their home has been provided to every tenant.
- 2.1.2 Gas safety for communal boilers is also at 100% compliance with all 14 of the boilers possessing a gas safety certificate / CP16 that is less than 1 year old. Heating for 27 properties is supplied by communal gas boilers and these properties will not have an LGSR.
- 2.1.3 A further 594 non-gas systems supply heating to properties by other means, (i.e. electric storage heaters, oil, solid fuel, or air source heat pumps). These are subject to similar testing regimes to gas appliances. OFTEC the Oil Firing Technical Association establishes the standards for competence within the domestic oil heating

and cooking industry. **HETAS** - the Heating Equipment testing and Approval Scheme approve biomass and solid fuel domestic heating appliances, fuels and services including the registration of competent installers and servicing businesses. Many of these properties have dual fuel systems and therefore have more than one test and certificate. As a consequence the overall number of tests and certificates relates to individual units of equipment or systems and is a higher number than the overall number of individual properties on STAR's stock list.

<b>Duel Fuel Properties</b>	<b>No. of properties</b>	<b>No. Of systems</b>
Gas & Oil	3	6
Gas & Solid fuel	31	62
Oil with Solid Fuel	15	30
Electric with Solid Fuel	4	8
Solid fuel with air source	19	38
<b>TOTAL</b>	<b>72</b>	<b>144</b>

#### 2.1.4 Of the 594 non-gas systems:

- The 151 Oil systems are 100% Compliant.
- The 333 Air Source heat pumps are 100% Compliant.
- The 35 Electric Storage Heaters are 100% Compliant.
- 72 of the 75 Solid fuel systems (96%) were tested and compliant as at 31 July 2023.
- Of the three remaining properties, two were successfully accessed on the third attempt, their chimney's swept and compliant. At the time of writing, we now stand at 98.7% compliant on solid fuel heating systems.
- The sole remaining property has been inspected but has nesting birds blocking its chimney. This will be dealt with at the end of the nesting season. The heating system will remain unavailable for use until the nest is removed.

### 3.0 Electrical Safety (Domestic)

#### 3.1 An Electrical Installation Condition Report (EICR) must be carried out on tenanted properties every five years or on change of tenant. As at the end of July there were 3,960 properties on the testing programme, of which 3,908 (98.68%) held a valid EICR.

Of the remaining 52:

- 3 were with our legal team due to ongoing no access challenges
- 23 had confirmed appointments with residents
- 25 were pending a confirmed appointment. Our operational team continue to exhaust all options to secure appointments.
- 1 visit was abandoned by contractors due to hygiene issues at the property

### 4.0 Electrical Safety (Communal)

#### 4.1 74 of the 78 Blocks (94.9%) on the Communal EICR programme were compliant with STAR's target of annual testing as at 31 July 2023. The four untested blocks have now been tested and all sites have EICR and communal electrical testing is back at 100%.

**4.2** It should be noted that despite the shortfall against the target at month end, STAR remained fully compliant with the requirements set out in BS 7671 Institution of Engineering and Technology (IET) wiring regulations (18<sup>th</sup> Edition) and Part P of the Building Regulations. These set out a requirement for tests to take place within a five-year cycle rather than the annual target set by STAR.

**4.3** It is recommended that the target of annual testing for communal areas is relaxed. By moving towards either a 3-year cycle of testing STAR will remain compliant with regulations and accepted best practice while also saving approximately 60% on expenditure.

## **5.0 Fire Safety**

**5.1** Positive progression has been made with respect to both Fire Risk Assessments and subsequent Fire Risk Actions. Of the 90 Fire Risk Assessments required, STAR is 100% compliant. This includes 4 additional properties and their FRA added since the last report.

- 2 additional blocks 2 buildings in St Marys Street, Bridgnorth were identified as part of a stock reconciliation process.
- *2 further blocks are being transferred to STAR from Shropshire Council, but FRA have been completed (70 Castle Foregate and Derfald House).*

**5.2** The stock breakdown for the 90 FRA is:

- 68 General need blocks
- 11 communal room schemes
- 2 office/depot
- 4 Temporary Accommodation (TA)
- 2 supported schemes
- 1 hostel
- 2 due for transfer from Shropshire Council.

**5.3** At the end of July, we reported the following compliance towards Fire Risk Actions:

<b>FRA Action Plan Progress</b>				
	<b>Total Current Actions in July 2023</b>	<b>Actions Completed</b>	<b>Current Actions at Month End</b>	<b>Percentage Completed During Month</b>
<b>High Priority</b>	14	10	4	71.4%
<b>Medium Priority</b>	269	59	210	21.9%
<b>Low Priority</b>	147	25	122	17.0%
<b>TOTAL</b>	<b>430</b>	<b>94</b>	<b>336</b>	<b>21.9%</b>

**5.4** All high priority actions from FRA are scheduled to be actioned within one month. Where a specific action cannot be completed in the standard timescale, (e.g., due to lead times on deliveries) interim measures may need to be introduced to manage the risk. The four remaining current high-risk actions relate to emergency lighting, fire alarm installation and a fire door replacement on an electrical cupboard.



**5.5** The following presents a breakdown of the type of following actions raised from the recent Fire Risk Assessment reviews:

- 115 Compartmentation surveys, compartmentation remedial works
- 78 Fire Strategies
- 64 Fire Door replacement / upgrade / repair.
- 79 Housing Management actions

**5.6** As at 6 September there were 59 fire risk actions overdue. This is significant reduction on the 575 reported to Board in May 2023, and continues to present a downward trend. 3 are high risk, 51 are medium risk and 5 are low risk.

## **6.0 Legionella**

**6.1** The current position represents 100% compliance for water risk assessments with all sixteen blocks possessing a current assessment.

**6.2** Four high risk remedial actions were overdue at the end of July. These all related to the removal of unused fire hoses at Greenfields Court. Simple removal of the hoses would result in a dead-leg (dead-end) of pipework which would in itself increase the risk of legionella contamination within the building still further. Difficulties in tracing water pipe runs beneath the building and the high probability of simultaneously removing a shared feed made it impossible to remove the dead legs without risk of cutting water supply to individual residents. An alternative solution is being introduced to reduce and manage the risk. The hose reels are being removed on 18 August and replaced with a valve outlet (i.e., a tap) onto which a shorter length of hose can be attached to reach a nearby sink / drain. Water within the pipework will then be flushed through before the hose is removed. This action will be repeated on a regular basis to ensure that the risk continues to be managed. A long-term solution is sought which may include extension of the water pipes and the fitting of a tap above a sink that can allow regular flushing without the need for a hose attachment.

**6.3** Following completion of the work described above, Legionella Action Management will be back at 100% compliance.

## **7.0 Asbestos - Communal Areas**

**7.1** The Control of Asbestos Regulation 2012 set out a duty to manage the risks arising from asbestos containing materials within the common areas of flats. This includes common parts for access, circulation and storage, e.g., entrance hall, lobby, foyer, lift, stairs, boiler and plant rooms, roof space, communal yards, gardens, store rooms, bike shelters and external outbuildings. Asbestos Management Plan – Each of the 86 blocks with a communal area has an asbestos management plan and we are 100% compliant with this requirement.

**7.2** STAR's policy is to also operate a system of annual reinspection. Although this was undertaken in 2021/22, the process had not taken place since then. This was due to issues relating to new IT systems being implemented and a backlog in data needing to be cleansed and transferred to the new system.

**7.3** As at 31 July 2023, 69 of the 86 blocks (80.2%) of the communal areas had undergone reinspection. Of the remaining 17 blocks, a further 5 have now been inspected and the final 12 will be completed by late August / early September at which point STAR will be back to 100% compliance.

## **8.0 Asbestos - Domestic Properties**

- 8.1** A total of 3,751 domestic properties are recorded on our domestic programme as having Asbestos Containing Materials present or suspected as being present. The Compliance team are working through the list to undertake asbestos surveys at all such properties on a five-year cycle. As at 31 July 2023 3,131 out of 3,751 properties (83.5%) have had a survey completed, with the outstanding surveys on a programme to be undertaken.

## **9.0 Lifts**

- 9.1** Lifts provided for use by workers in workplaces are subject to the Lifting Operations and Lifting Equipment Regulations (LOLER) 1998. In simple terms, LOLER requires a six-monthly programme of inspection and maintenance of workplace passenger lifts.
- 9.2** A Shrewsbury based lift maintenance company, (Belvidere Lifts) have carried out a survey and inspection of the lift and we can now report full compliance.

## **H Housing Revenue Account**

### **1.0 Current position**

- 1.1** Like many councils and RP's housing finances are becoming increasingly strained due to a mix of sector wide pressures, including compliance, inflationary pressures, damp and mould and higher interest rates. The key to having a sustainable position in relation to the HRA is to have a clear understanding of the health of the HRA over a 30 year business planning period.
- 1.2** A key recommendation from recent board meetings and discussions with the council is for STAR Housing to have an industry recognised business planning tool. This will ensure STAR Housing can consider the financial management of the HRA over a 30-year period, undertake appropriate stress testing of the business plan and make medium- and long-term financial decisions.
- 1.3.** STAR Housing have discussed the purchase of a business planning tools with industry recognised providers of business planning software including Brixx, Savills, Capita and Abovo. Following discussions with various providers it was decided that Abovo would be the most appropriate software to use. This was due to its functionality; it is the only software which has been developed for ALMO and councils with HRAs. Brixx which is the system most used by the RP sector is not suitable for councils with HRA and this was confirmed by Brixx following a demonstration of the system.
- 1.4** Abovo is currently being used by several councils including Oxford, Cornwall and Ealing to support the council with there 30-year business planning forecasting and stress testing. The system is an excel based system which is developed in partnership with the local authority/ALMO and Abovo.
- 1.5.**Abovo enables councils/ALMO to undertake the following in relation to 30 year business planning:

- It enables councils to have a HA business plan models but encompassing local authority housing finance rules
- Integrates with Development Appraisal and Rent Model tools for quick upload without duplication error
- Budgeting flexibility with annual profiling of income and expenditure
- Apply retained RTB receipts to specific development schemes
- Incorporates unique dashboard multi-variable, multi-scenario stress-testing functionality

1.6 The proposed timescale for the implementation is detailed below:

Item	Start	Finish
Data request and review	Aug 2023	Oct 2023
Agree business plan parameters	Oct 2023	Nov 2023
Software Testing	Nov 2023	Nov 2023
Implementation	Dec 2023	Jan 2024

1.7 It is proposed that the system will be implemented by Q4 23/24. This will allow STAR Housing to have a fully functioning business planning tool to support the development and implementation of the annual business plan. The 2025 HRA business plan will be considered by the Board and the council during Q4 along with the annual budgets.

## I Strategic Risks

- 1.1 The STAR Housing strategic risk register is reviewed at every Finance, Audit and Risk committee on a quarterly basis and endorsed by the Board. In total STAR Housing has identified 13 strategic risk which effects the HRA and STAR Housing.
- 1.2 The top 3 risks (in terms of revised risk score (greater than 15) are as follows:
1. 9 – Cultural Change – Staffing and Resourcing
  2. 12- Building Safety and Property Compliance;
  3. 13 - Data Management and integrity
- 1.3 Whilst the risk scores have not materially changed since the risk register was reviewed in the summer, the operating environment continues to be uncertain and challenging particularly from an economic, regulatory and operational perspective.
- 1.4 The most recent risk added to the risk register is related to data management and data integrity This has been added to the risk register following recent board discussion on STAR Housing approach to data integrity, recent regulatory judgements from RoSH and discussions with the council.
- 1.5 STAR Housing has organised a risk workshop with the council risk team to consider how STAR Housing and its Board currently manage risk and the board general appetite for risk. The workshop is to be held in December 2023.

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## Committee and Date

Cabinet  
22<sup>nd</sup> November 2023

Item

Public



## SAND Covenant Proposal

<b>Responsible Officer:</b>	James Walton		
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<b>Cabinet Member:</b>	Lezley Picton, Leader		

### 1. Synopsis

Cabinet is requested to agree a protocol for determining whether to approve proposals to sign up to specific covenants and campaigns. If approved Cabinet is asked to sign up to the Safe Ageing No Discrimination (SAND) Covenant. The first to then be considered using this protocol.

### 2. Executive Summary

2.1 The perceived needs for a protocol are as follows:

- To ensure alignment is visible between any particular covenant and campaign, the Shropshire Plan, and our obligations under the Public Sector Equality Duty set out in the Equality Act 2010.
- To ensure that the approval process and approach thus demonstrates transparency and facilitates objective consideration of intersectionality across the Protected Characteristic groupings defined in the Equality Act 2010.
- To facilitate consideration of time commitments anticipated, by officers and by councillors, and any financial commitments, known or unknown.

2.2 The adoption of such a protocol will also enable the Council to continue with a consistent approach whereby we should not be signing up to be part of a campaigning organisation. This has been the case whether we have sympathy for

and empathy with the views of said organisation, and whether we find ourselves to be in accord with perhaps only elements of such a campaign.

2.3 Safe Ageing No Discrimination CIC (SAND) is a group working to improve the experience of older and old lesbian, gay, bisexual and trans people as they access health and social care services. Groups and organisations in Shropshire and Telford and Wrekin local authority areas are invited to sign up through a Covenant to five broad commitments, agree an annual action plan for change, and then report progress and share their next year plan at an annual event.

2.4 The intention of the Council as a proposed signatory would be to work with SAND, as with others in the voluntary and community sector, with regard to not only health and social care needs but also overall social inclusion endeavours that will value diversity and promote cultural and social efforts in so doing. Assurance would be given to SAND that we will not expect them to speak as the sole advocates on behalf of the diverse LGBTQ+ community or of older people within the community.

2.5 In terms of alignment with the Shropshire Plan, it could be a positive move for the Council to sign up to the SAND Covenant so that the following key aspirations could be progressed, alongside potential embedding of the Covenant aspirations within Council policy and practice:

- *Healthy economy: We'll develop Shropshire as a vibrant destination that attracts people to live in, work in, learn in and visit.*
- *Healthy environment: We'll enable safer, sustainable, diverse and inclusive communities that pull together by reducing anti-social behaviour and risk of harm;*
- *Healthy organisation: We'll enable a skilled, happy, healthy, diverse, inclusive, empowered, and proud workforce that influences and leads change, addressing any inequalities.*
- *Healthy people: We'll work with partners to develop, commission and deliver the right services and support that meet the needs of children, young people, adults and families in the right place, at the right time.*

2.6 This is because the signing of the SAND Covenant could be considered to have potential positive economic and societal impacts for the wider community, as well as equality and health and wellbeing impacts for people who may identify as lesbian, gay, bisexual, transgender, queer and other (LGBTQ+) at any life stage. Signing it would emphasise the policy intentions of the Council to foster and create an inclusive and welcoming county.

### 3. Recommendations

That Cabinet -

3.1 adopt the proposed protocol attached at Appendix 1 t

3.2 sign up to the Safe Ageing No Discrimination (SAND) Covenant, as the first to be considered under this protocol, with the following provisos:

- that assurances be given by SAND to seek to support work across the Protected Characteristic groupings of Age and Sexual Orientation, recognising depth and diversity within these groupings as well as their particular field of working with older people;
- that officers engage with SAND itself and share and develop joint good practice with other advocacy organisations, to complement engagement efforts with and for all Protected Characteristic groupings.

## Report

### 4. Risk Assessment and Opportunities Appraisal

- 4.1 It is important that before the Council signs up to any covenant or campaign it must first check that its aims and aspirations are compatible with our own. This needs to be the approach irrespective of whether we have sympathy for and empathy with the views of said organisation, and whether we find ourselves to be in accord with perhaps only elements of such a campaign. A further risk is that the Council may find other organisations making contact to argue for their own campaign or covenant to be supported in similar fashion, which could present a drain upon scant officer time and resources.
- 4.2 The mitigation is for the Council to adopt an agreed protocol for covenants and campaigns for officers to draw upon and utilise in liaison with councillors. Under this protocol, where a proposal to sign up to a new covenant or campaign is being put forward, whether by officers or by councillors, relevant officers will work with councillors to advise on content for an Equality, Social Inclusion and Health Impact Assessment (ESHIA) and supporting document on how and why the covenant or campaign could support the Council and partners in meeting strategic and community objectives. This will help to ensure that we do not misalign ourselves or agree to contradictory principles
- 4.3 Additionally, officers may support the work or aims of an organisation, as in this case, where officer support was given to the SAND Covenant in June 2022. Since this time, colleagues have been meeting on a regular basis to work through ways in which the aspirations set out in the Covenant may be realised through potential embedding of these within Council policy and practice. The risk in this approach is that it presents an external view that the Council has formally signed up to the Covenant, without a formal proposal to do so being prepared for elected Members to consider.
- 4.4 The protocol, as an internal working process for officers, has been utilised to aid consideration of whether the Council should sign up to the SAND Covenant. An ESHIA has been completed and is attached as Appendix 2.a. Utilising the protocol is anticipated to minimise the reputational risk of the Council being considered to have signed up to the Covenant without having followed due democratic decision making processes.
- 4.5 The ESHIA screening that has been carried out includes recognition of a potential negative equality impact in terms of perceptions that a narrow number of Protected

Characteristic groupings are receiving additional recognition or achieving undue prominence, and that this may then become a precursor to creating a budget and/or drawing upon finite resources to meet the needs of people in these groupings to the exclusion of others.

- 4.6 The mitigation would be that, rather than creating a call upon budgets, the SAND Covenant would help to create greater awareness and understanding, across the workforce, partner organisations, and the wider community, with regard to diversity and intersectionality across all groupings and within all groupings. In so doing, the Council will be explicitly meeting the three national equality aims, around fostering good relations, advancing equality of opportunity, and seeking to eliminate discrimination, harassment, and victimisation.
- 4.7 The screening has helped to assess at this stage that the equality impacts are likely to be medium positive for the groupings of Age, Sex and Sexual Orientation, and for the grouping of Disability, given mental wellbeing aspects. The equality impacts may be assessed as low to medium positive for other groupings, in the absence of further detail at this stage, given that support for the Covenant would be seen as a way in which to make local progress towards achieving the overarching three national equality aims.
- 4.8 In regard to health and well being, there is an anticipated medium positive impact for the groupings of Age, Sex, and Sexual Orientation. Additionally, the further commitments, when taken together and if acted upon, are likely to enhance mental and physical wellbeing across these groupings and therefore lead to positive impacts for the grouping of Disability as well.
- 4.9 This anticipated medium positive impact, in regard in particular to access to health and social care services for old and older people who are LGBTQ+, will potentially lead to service users in these intersecting groupings being able to make decisions about their current and emerging care needs from an informed and engaged perspective. This will mitigate risk around use of resources, as it will facilitate a more efficient and effective use of officer time and better quality health and social care outcomes.
- 4.10 The commitments within the Covenant could be considered to have potential positive economic and societal impacts for the wider community as well as for people who may identify as LGBTQ+ at any life stage, as the signing of the Covenant may be taken to signal the policy intentions of the Council to foster and create an inclusive and welcoming county. In so doing, this may lead more people from a diverse range of backgrounds to not only come here to live and work or as visitors, but also remain here into older life stages. This will then potentially assist the Council to realise a range of aspirations within the Shropshire Plan.



## Risk table

<i>Risk</i>	<i>Mitigation</i>
Covenant not wholly compatible with our aims as an organisation	Use of an agreed covenants and campaigns protocol
Other organisations may come forward, presenting a drain upon officer time and resources	Use of an agreed covenants and campaigns protocol
Reputational risk that Covenant may be considered to have been signed up to without due process being followed	SAND Covenant to be considered by Cabinet through use of democratic decision-making processes
Potential negative equality impact in terms of perceptions that a narrow number of Protected Characteristic groupings are receiving additional recognition or achieving undue prominence	SAND Covenant could help to create greater awareness and understanding, across the workforce, partner organisations, and the wider community, with regard to diversity and intersectionality across all groupings and within all groupings

## 5. Financial Implications

- 5.1 The financial implications are anticipated to be neutral, as the costs involved are in relation to officer time.

## 6. Climate Change Appraisal

- 6.1 Climate change represents a significant challenge to all Shropshire residents, regardless of age, gender identity or sexual orientation. Adopting a protocol and signing the covenant is not expected to have any direct implications for climate change or the management of carbon emissions.

## 7. Background

- 7.1 Safe Ageing No Discrimination CIC (SAND) is a group working to improve the experience of older and old lesbian, gay, bisexual and trans people in Shropshire as they access health and social care - and related - services. As part of SAND's Campaign to "EMBRACE A Culture of Inclusion", they encourage pledges from health and social care providers and other organisations, groups and services which people may need or want to access as they age. These 'pledges' set out to be practical actions to ensure that services are welcoming and inclusive. These pledges take the form of a Covenant.
- 7.2 Accepting that each organisation works within its own limitations and financial constraints groups and organisations in Shropshire, Telford and Wrekin local authority areas sign up to a set of broad commitments and agree an annual action plan for change. Participating groups and organisations are then invited to feedback progress and share their next year plan at an annual event.

The SAND Commitments are:

- Commit to providing the best possible quality services for older and old LGBT+ people
- Commit to learning what life can be – and has been – like for different LGBT+ people
- Commit to vocally and visually supporting groups working with and for older and old LGBT+ people
- Commit to creating meaningful opportunities for LGBT+ people and groups to “influence” what you do
- Commit to assess and evidence change, including work carried out to engage LGBT+ people (within the group/organisations and outside it)

- 7.3 Officer support was given to the SAND Covenant in June 2022. Since this time, colleagues have been meeting on a regular basis to work through ways in which the aspirations set out in the Covenant may be realised through potential embedding of these within Council policy and practice. This input has been in terms of officer time as the key resource. Were the decision to be taken to sign up formally to the Covenant, input would be focussed upon development of the action plan that forms a necessary part of the Covenant. The action plan would need to be based on what is realistic in terms of size, capacity and available resources. It would also need to outline specific actions, identify the changes that would result from these actions, and identify the evidence to be collected to illustrate the changes. In so doing, it would facilitate collection of evidence about the needs of people in these groupings, to add to the overall evidence base about the needs of diverse communities in Shropshire.
- 7.4 A tangible early positive outcome has been the support that the group has given toward raising the profile of LGBTQ+ communities, within the workforce and within the wider community, by sharing ideas and supporting ongoing efforts to raise awareness of and celebrate a range of initiatives and events. These have included Pride History Month 2023 and Pride Month in June 2023, where members of the group worked with the Performance and Research Specialist: Ruralities and Equalities. The signing of the SAND Covenant will be anticipated to complement ongoing partnership work to achieve not only positive equality and social inclusion impacts but also positive economic and societal impacts.
- 7.5 SAND as an organisation has described itself as taking a targeted approach to increasing LGBT+ inclusion, challenging discrimination, and promoting accessibility and equality of opportunity for LGBTQ+ people ageing in Shropshire, Telford and Wrekin.
- 7.6 The stated policy intention of SAND is to value diversity and to highlight the relevance of different life experiences and associated needs, together with the policy intention to increase awareness of equality and diversity issues at all levels.
- 7.7 The intention of the Council as a proposed signatory would be to work with SAND, as with others in the voluntary and community sector, not only in regard to health and social care needs but also in regard to overall social inclusion endeavours that will value diversity and promote cultural and social efforts in so doing.

- 7.8 This will include opportunities such as Pride Month and LGBT+ History Month, events such as Ludlow Pride and Shrewsbury Pride, and ongoing activities and resources such as monthly family activities at the Museum in Shrewsbury. Shropshire Libraries are already Safe Spaces for all, with LGBTQ+ interest books available at all Shropshire Libraries, a dedicated LGBTQ+ interest section on the Library Service's free E-book system, and LGBTQ+ emagazines also available. Uptake of such resources and participation in such events and activities, would be evaluated and feedback sought via organisers and service areas.
- 7.9 The Culture Leisure and Tourism service area will also draw upon the Cultural Compact for Shropshire, set up in December 2022. This is a cross-sector partnership, made up of a broad membership, is independent of the Council and brings together culture, business, education, health, social care and other sectors. It sets out to deliver Vibrant Shropshire, the county's cultural strategy, to ensure that culture thrives in Shropshire and enhances the county's health, wellbeing, resilience, economic prosperity and environmental sustainability

## **8. Additional Information**

- 8.1 Further information is available on the SAND website.

## **9. Conclusions**

- 9.1 Use of a protocol would aid thorough consideration of requests to sign up to covenants and campaigns, ensuring that any such covenants and campaigns are only supported where they will assist the Council and partners in meeting strategic and community objectives.
- 9.2 The Safe Ageing No Discrimination (SAND) organisation has described itself as working with the LGBTQ+ community and service providers to develop inclusive practice in general, while focussing on the particular experiences and needs of LGBTQ+ people. To sign the Covenant would complement continuing officer efforts to share ideas and support ongoing actions to raise awareness of and celebrate a range of initiatives and events within our overall strategic equality policy framework. It will thence help to meet identified aspirations within the Shropshire Plan.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

**Local Member:**

### **Appendices**

Appendix 1 – Covenants and Campaigns Protocol

Appendix 2 - Equality, Social Inclusion and Health Impact Assessment (ESHIA)

**Shropshire Council  
Covenants and Campaigns Protocol DRAFT 07112023**

**Purpose**

- To provide an **approval process to determine whether to** sign up to covenants and campaigns relating to the principles of equality, diversity and inclusion.

**Current position**

This protocol is intended to help to ensure that energies are focussed where they need to be, and that alignment is visible with the Shropshire Plan and with our obligations under the Public Sector Equality Duty set out in the Equality Act 2010.

It addresses concerns and considerations around signing up to or aligning with national and local covenants and campaigns which may be described as coming under the heading of equality, diversity and inclusion.

The approval process and approach needs to be one that will demonstrate transparency and facilitate objective consideration of intersectionality across the Protected Characteristic groupings.

It is also necessary for this process to be such that it will help to ensure that there is alignment between any particular covenant and campaign proposal, the Shropshire Plan, the Strategic Equality Objectives Action Plan 2020-2024, and any associated national and partner organisation policy imperatives. It would also need to enable consideration of time commitments anticipated, by officers and by councillors, and any financial commitments, known or unknown.

Our watchwords need to be not only those which will assist us to promote intersectionality rather than to appear to give precedence to any groupings, but also those which will balance time commitments with efforts that are seen as strategic and inclusive rather than well-meaning but reactive, and that will indicate our measured and transparent approach.

**Background**

The consistent approach is that we should not be signing up to be part of a campaigning organisation. This has been the case whether we have sympathy for and empathy with the views of said organisation, and whether we find ourselves to be in accord with perhaps only elements of such a campaign. The Council for example has long standing and cordial relationships with the National Farmers Union (NFU) and with the Country Land and Business Association (CLA), both of whom are campaigning bodies on behalf of the food and farming sector. Whilst the Council has sympathy for and empathy with many of the views of these bodies, the Council has never been a subscribing member of these bodies or a vocal signatory to national campaigns.

## **Proposed approval process and approach**

### If the covenant or campaign is being put forward by officers:

An initial screening Equality, Social Inclusion and Health Impact Assessment (ESHIA) should be carried out by the lead officers for the proposal, along with a supporting document on how and why this would benefit the Council and its partners in meeting strategic and community objectives.

The document should include an indication of what would be required to implement the covenant or campaign, in terms of resources and time, and service areas involved, the communication channels envisaged or proposed, and how efforts to achieve the objectives would be monitored along with a review cycle.

The proposal should then be shared with the Rurality and Equalities Specialist for review, who will then take opportunity to bring in other officers as appropriate eg from Feedback and Insight Team eg from Public Health.

Following this appraisal step and any subsequent revisions, this should be submitted to the relevant Executive Director to take to EMT and informal Cabinet, for agreement to go into the Forward Plan with a view to seeking Cabinet approval.

### If the covenant or campaign is being put forward by councillors:

Councillors are encouraged to contact relevant officers to share their proposals.

Officers will then discuss the proposal with them at a meeting, potentially involving relevant portfolio holders, before supporting on content for an ESHIA and briefing document on how and why the covenant or campaign could support the Council and partners in meeting strategic and community objectives.

Following this appraisal step and any subsequent revisions, this should be submitted to the relevant Executive Director to take to EMT and informal Cabinet, for agreement to go into the Forward Plan with a view to seeking Cabinet approval.

In this way, consideration may be objective and transparent, and focussed upon identifying clear Council and community objectives and strengthening collaboration between officers and decision-makers, so that efforts are timely and proportionate.

The attached flowcharts set out to illustrate how these approaches are anticipated to work.

### If the covenant or campaign is being put forward to the Council by an external body or organisation:

The organisation should be asked to articulate in writing how they believe the covenant or campaign will assist the Council to meet strategic equality objectives

and corporate objectives, and in so doing make progress on national equality aims and the Council's overall policy aims.

The format proposed would be a standard template, inviting completion of sections with regard to the Shropshire Plan and to the three national equality aims.

Within the template, there would be a section in which the organisation would be asked to:

- indicate the obligations sought from the Council, in terms of time commitment and in terms of financial commitments;
- articulate any anticipated support in terms of time and financial commitments from partner organisations;
- name these organisations, whether these are from other public sector organisations such as local NHS Trusts or the local authorities, the business sector, or the community and voluntary sector;
- articulate how the covenant or campaign could assist the Council in meeting Social Value principles, as already used in procurement processes.

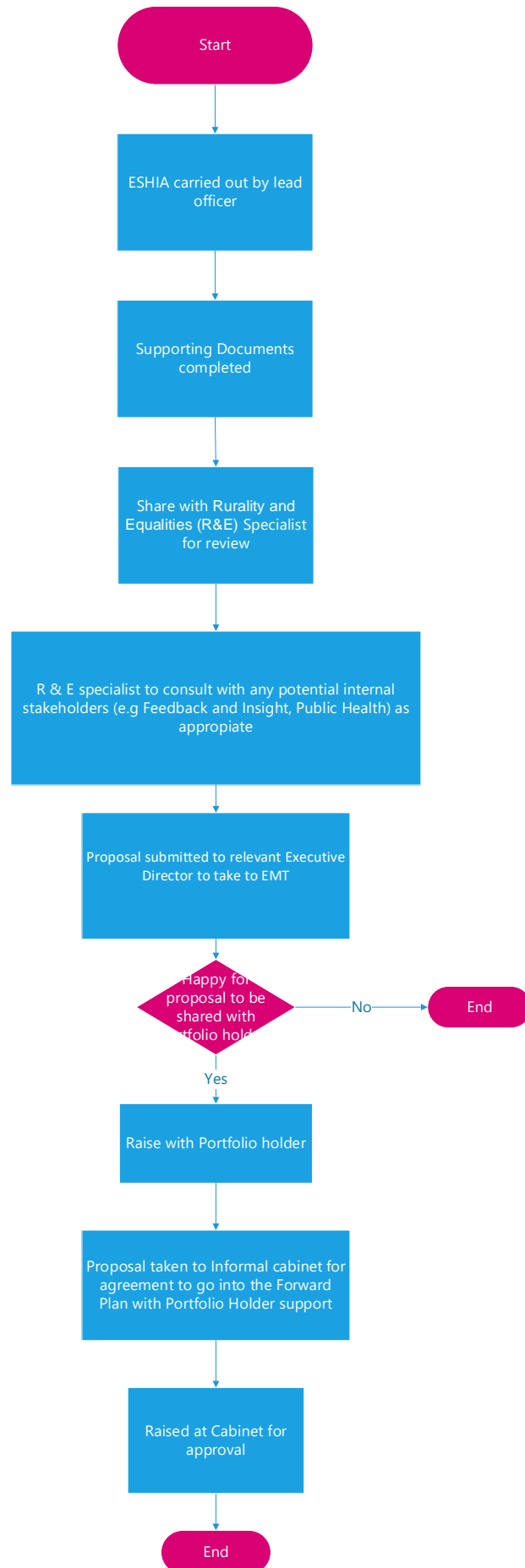
In this way, the Council will be in control of the process, better placed to save officer time through provision of a standard approach, and better able to ascertain from evidence provided by the organisation that its proposals would help the Council to meet overall strategic equality objectives.

In all scenarios:

Legal advice should be sought: *“...to be careful in respect of any accreditation where it may conflict with our public body responsibilities...”*

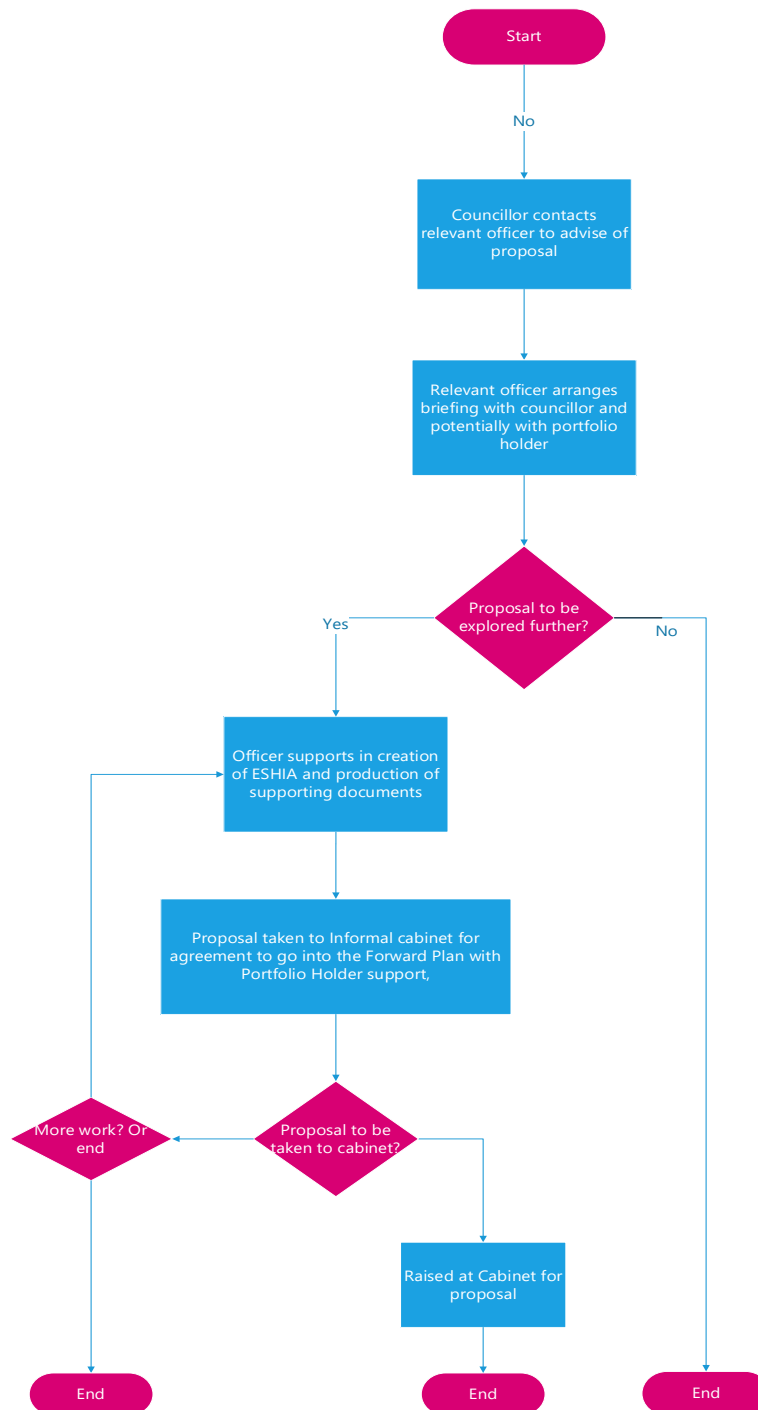
**Support for Covenants and Campaigns Approval process**

**Covenant or Campaign put forward by Officers**





Support for Covenants and Campaigns Approval process:  
Covenant or Campaign put forward by Councillors



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**Shropshire Council**  
**Equality, Social Inclusion and Health Impact Assessment (ESHIA)**  
**Stage One Screening Record 2023**

**A. Summary Sheet on Accountability and Actions**

<b>Name of proposed service change</b>
Safe Aging No Discrimination (SAND) Covenant Proposal

<b>Name of the officer carrying out the screening</b>
Mrs Lois Dale, Performance and Research Specialist: Rurality and Equalities

<b>Decision, review, and monitoring</b>
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Decision	Yes	No
Initial (Stage One) ESHIA Only?	x	
Proceed to Stage Two Full ESHIA or HIA (part two) Report?		x

*If completion of a Stage One screening assessment is an appropriate and proportionate action at this stage, please use the boxes above, and complete both part A and part B of of this template. If a Full or Stage Two report is required, please move on to full report stage once you have completed this initial screening assessment as a record of the considerations which you have given to this matter.*

<b>Actions to mitigate negative impact or enhance positive impact of the service change in terms of equality and social inclusion considerations</b>
<p>Safe Ageing No Discrimination CIC (SAND) is a group working to improve the experience of older and old lesbian, gay, bisexual and trans people in Shropshire as they access health and social care - and related - services.</p> <p>Groups and organisations in Shropshire, Telford &amp; Wrekin are invited to sign up to five broad commitments, through a Covenant, and agree an annual action plan for change. Participating groups and organisations are then invited to feedback on progress and share their next year plan at an annual event.</p> <p>Joining the campaign would involve an overall commitment by the Council to: “champion the rights of the older and old LGBTQ+ individual and keep encouraging everybody to Embrace a Culture of Inclusion.”</p> <p>SAND has described itself as working with the LGBTQ+ community and service providers to develop inclusive practice in general, while focussing on the particular experiences and needs of LGBTQ+ people.</p>

Officer support has been given to the SAND Covenant with colleagues meeting on a regular basis to work through ways in which the aspirations set out in the Covenant may be realised through potential embedding of these within Council policy and practice.

A tangible early positive outcome has been the support that the group has given toward raising the profile of LGBTQ+ communities, within the workforce and within the wider community, by sharing ideas and supporting ongoing efforts to raise awareness of and celebrate a range of initiatives and events.

To sign the Covenant would enable the Council to continue with these efforts within our overall strategic equality policy framework.

It may therefore be assessed at this stage that the equality impacts of operational efforts are likely to be medium positive not only for the groupings of Age, Sex and Sexual Orientation but also for the grouping of Disability, given mental well being aspects.

The impacts may be assessed as low to medium positive for other groupings, in the absence of further detail at this stage, given that support for the Covenant would be seen as a way in which to make local progress towards achieving the overarching three national equality aims.

There is a potential negative impact in terms of perceptions that a narrow number of Protected Characteristic groupings are receiving additional recognition or achieving undue prominence, and that this may then become a precursor to creating a budget and/or drawing upon finite resources to meet the needs of people in these groupings.

The mitigation would be that, rather than creating a call upon budgets, the SAND Covenant would help to create greater awareness and understanding, across the workforce, partner organisations, and the wider community, with regard to diversity and intersectionality across all groupings and within all groupings. In so doing, the Council will be explicitly meeting its national equality aims, around fostering good relations, advancing equality of opportunity, and seeking to eliminate discrimination, harassment, and victimisation.

#### **Actions to mitigate negative impact or enhance positive impact of the service change in terms of health and wellbeing considerations**

As the five commitments within the Covenant include a commitment to “providing the best possible quality services for older and old LGBT+ people”, there is an anticipated medium positive health and wellbeing impact for the groupings of Age, Sex, and Sexual Orientation. Additionally, the further commitments, when taken together and if acted upon, are likely to enhance mental and physical wellbeing across these groupings and therefore lead to positive impacts for the grouping of Disability as well.

This anticipated medium positive, in regard in particular to access to health and social care services for old and older people who are LGBTQ+, will potentially lead to service users in these intersecting groupings being able to make informed decisions about their current and emerging care needs from an informed and engaged perspective, leading to a more efficient and effective use of officer time and better quality health and social care outcomes.

**Actions to review and monitor the impact of the service change in terms of equality, social inclusion, and health considerations**

The signing of the SAND Covenant will be anticipated to complement ongoing partnership work to achieve not only positive equality and social inclusion impacts but also positive economic and societal impacts.

SAND as an organisation has described itself as taking a targeted approach to increasing LGBT+ inclusion, challenging discrimination, and promoting accessibility and equality of opportunity for LGBTQ+ people ageing in Shropshire, Telford and Wrekin.

The stated policy intention of SAND is to value diversity and to highlight the relevance of different life experiences and associated needs, together with the policy intention to increase awareness of equality and diversity issues at all levels.

The intention of the Council as a proposed signatory would be to work with SAND, as with others in the voluntary and community sector, not only in regard to health and social care needs but also in regard to overall social inclusion endeavours that will value diversity and promote cultural and social efforts in so doing.

This includes opportunities such as Pride Month and LGBT+ History Month, events such as Ludlow Pride and Shrewsbury Pride, and ongoing activities and resources such as monthly family activities at the Museum in Shrewsbury. Shropshire Libraries are already Safe Spaces for all, with LGBTQ+ interest books available at all Shropshire Libraries, a dedicated LGBTQ+ interest section on the Library Service's free E-book system, and LGBTQ+ emagazines also available. Uptake of such resources and participation in such events and activities, would be evaluated and feedback sought via organisers and service areas.

The Culture Leisure and Tourism service area will also draw upon the Cultural Compact for Shropshire, set up in December 2022. This is a cross-sector partnership, made up of a broad membership, is independent of the Council and brings together culture, business, education, health, social care and other sectors. It sets out to deliver Vibrant Shropshire, the county's cultural strategy, to ensure that culture thrives in Shropshire and enhances the county's health, wellbeing, resilience, economic prosperity and environmental sustainability.

**Associated ESHIAs**

The main ESHIAs to be associated with this policy proposal are those carried out for the Council's Strategic Equality Objectives Action Plan 2020-2024, and for the Shropshire Plan.

**Actions to mitigate negative impact, enhance positive impact, and review and monitor overall impacts in terms of climate change considerations and any other impacts with regard to economic and societal implications**

***Climate change***


The initial appraisal would be that climate change impacts would be neutral in terms of signing up to the Covenant

***Economic and societal/wider community***

The commitments within the Covenant could be considered to have potential positive economic and societal impacts for the wider community as well as for people who may identify as LGBTQ+ at any life stage, as the signing of the Covenant may be taken to signal the policy intentions of the Council to foster and create an inclusive and welcoming county.

In so doing, this may lead more people from a diverse range of backgrounds to not only come here to live and work or as visitors, but also remain here into older life stages. This will then potentially assist the Council to realise a range of aspirations within the Shropshire Plan, as well as make progress towards achieving the three national equality aims.

**Scrutiny at Stage One screening stage**



<b>People involved</b>	<b>Signatures</b>	<b>Date</b>
<i>Lead officer for the proposed service change</i> <b>Mrs Lois Dale</b> <b>Performance and Research Specialist: Rurality and Equalities</b>		4 <sup>th</sup> October 2023
<i>Officer carrying out the screening as above</i>		
<i>Any other internal service area support*</i>		
<i>Any external support**</i>		

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*\*This refers to other officers within the service area*

*\*\*This refers to support external to the service but within the Council, e.g, the Performance and Research Specialist for Rurality and Equalities, Public Health colleagues, the Feedback and Insight Team, performance data specialists, Climate Change specialists, etc.*

### **Sign off at Stage One screening stage**

<b>Name</b>	<b>Signatures</b>	<b>Date</b>
<i>Lead officer's name</i>  <b>Mrs Lois Dale</b> <b>Performance and Research Specialist: Rurality and Equalities</b>		4 <sup>th</sup> October 2023
<i>Service manager's name</i> <b>Sam Williams</b> <b>Assistant Director – Workforce &amp; Improvement</b>		6 <sup>th</sup> November 2023

*\*This may either be the Head of Service or the lead officer*

### **B. Detailed Screening Assessment**

<b>Aims of the service change and description</b>
<p>Safe Ageing No Discrimination CIC (SAND) is a group working to improve the experience of older and old lesbian, gay, bisexual and trans people in Shropshire as they access health and social care - and related - services.</p> <p>SAND</p> <p>As part of SAND's Campaign to "EMBRACE A Culture of Inclusion", they encourage pledges from health and social care providers and other organisations, groups and services which people may need or want to access as they age</p> <p>These 'pledges' set out to be practical actions to ensure that services are welcoming and inclusive. These pledges take the form of a Covenant.</p> <p><u>What is The Covenant?</u></p> <p>Groups and organisations in Shropshire, Telford &amp; Wrekin sign up to 5 broad commitments and agree an annual action plan for change. Participating groups and organisations are then invited to feedback progress and share their next year plan at an annual event.</p> <p><u>The 5 Commitments are:</u></p>

- Commit to providing the best possible quality services for older and old LGBT+ people
- Commit to learning what life can be – and has been – like for different LGBT+ people
- Commit to vocally and visually supporting groups working with and for older and old LGBT+ people
- Commit to creating meaningful opportunities for LGBT+ people and groups to “influence” what you do
- Commit to assess and evidence change, including work carried out to engage LGBT+ people (within the group/organisations and outside it)

### The Background

SAND started when a group went to see the same film. As part of LGBT+ History Month 2012, the [Shropshire Rainbow Film Festival](#) screened [Gen Silent](#) and hosted a Q & A with senior staff from the public, voluntary and private sectors working in social care in Shropshire, Telford & Wrekin. Gen Silent revealed, a thought provoking, sometimes shocking picture of the fears and experiences of LGBT+ elders accessing care services. The film consisted of a set of interviews with LGBT+ elders in Boston, USA and got the group thinking about how things might be for older & old LGBT+ people in this country, and particularly in Shropshire, Telford & Wrekin.

After a few informal gatherings, SAND established a core group on 15th July 2013 (an Action Group), which comes together monthly to gather feedback from older & old LGBT+ people and plan future actions. There are also a broader collection of people who want to keep in touch with us, to know what we are doing and perhaps take part in different ways at different times, a growing number of [Named Supporters](#) and a Campaign which encourages us all to [EMBRACE A Culture of Inclusion](#).

In 2017 SAND won a National AgeUK Spirit of Age Award in the Equality & Diversity Category; in March 2018, SAND registered as a Community Interest Company and, in 2019, SAND was awarded a 5 year Reaching Communities Grant from the National Lottery Community Fund for our project [EMBRACE A Culture of Inclusion](#)!

### **Intended audiences and target groups for the service change**

- All those who live in, visit or work in Shropshire
- Shropshire Council councillors, as community leaders
- Shropshire Council officers, as representatives of the Council
- Shropshire Council SAND Covenant working group of officers
- Safe Aging No Discrimination (SAND) Community Interest Company
- Ludlow Pride and Shrewsbury Pride organisers
- LGBTQ+ advocates and allies



- Current signatories to the SAND Covenant
- Other local authorities

#### **Evidence used for screening of the service change**

- SAND evidence base as drawn from their website
- Shropshire Council SAND Covenant officer working group documentation
- Shropshire Council protocol for covenants and campaigns
- ONS Census Data with regard to people in Protected Characteristic groupings, including those self-identifying with regard to Sex and Sexual Orientation

#### **Specific consultation and engagement with intended audiences and target groups for the service change**

SAND outline on their website that the action plan required as part of the Covenant should be based on what is realistic in terms of size, capacity and available resources. It would also outline specific actions, identify the changes that would result from these actions, and identify the evidence to be collected to illustrate the changes.

In so doing it would facilitate collection of evidence about the needs of people in these groupings, to add to the overall evidence base about the needs of communities in Shropshire.

Officer support was given to the SAND Covenant in June 2022. Since this time, colleagues have been meeting on a regular basis to work through ways in which the aspirations set out in the Covenant may be realised through potential embedding of these within Council policy and practice. This input has been in terms of officer time as the key resource.

It would be anticipated that the officer group would continue to engage with SAND itself and to share and develop joint good practice with other organisations in regard to engagement with SAND and other advocacy organisations.

#### **Initial equality impact assessment by grouping (Initial health impact assessment is included below this table)**

*Please rate the impact that you perceive the service change is likely to have on a group, through stating this in the relevant column.*

*Please state if it is anticipated to be neutral (no impact) and add any extra notes that you think might be helpful for readers.*

Protected Characteristic groupings and other	High negative impact	High positive impact	Medium positive or	Low positive, negative, or neutral impact
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<b>groupings in Shropshire</b>	<i>Stage Two ESHIA required</i>	<i>Stage One ESHIA required</i>	<b>negative impact Stage One ESHIA required</b>	<b>(please specify) Stage One ESHIA required</b>
<u>Age</u> (please include children, young people, young people leaving care, people of working age, older people. Some people may belong to more than one group e.g., a child or young person for whom there are safeguarding concerns e.g., an older person with a disability)			X medium positive in regard to access to services for old and older people who are LGBTQ+	
<u>Disability</u> (please include cancer; HIV/AIDS; learning disabilities; mental health conditions and syndromes; multiple sclerosis; neurodiverse conditions such as autism; hidden disabilities such as Crohn's disease; physical and/or sensory disabilities or impairments)			X medium positive for physical and mental well being of old and older people who are LGBTQ+	
<u>Gender re-assignment</u> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				x low to medium positive
<u>Marriage and Civil Partnership</u> (please include associated aspects: caring responsibility, potential for bullying and harassment)				x low to medium positive
<u>Pregnancy and Maternity</u> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				X low to medium positive
<u>Race</u> (please include ethnicity, nationality, culture, language, Gypsy, Roma, Traveller)				X low to medium positive
<u>Religion or belief</u> (please include Buddhism, Christianity, Hinduism, Islam, Jainism, Judaism, Nonconformists; Rastafarianism; Shinto, Sikhism, Taoism, Veganism, Zoroastrianism, and any others)				x low to medium positive
<u>Sex</u> (this can also be viewed as relating to gender. Please include associated aspects: safety, caring			x medium positive in	

responsibility, potential for bullying and harassment)			regard to access to services for old and older people who are LGBTQ+	
<u><b>Sexual Orientation</b></u> (please include associated aspects: safety; caring responsibility; potential for bullying and harassment)			x medium positive in regard to access to services for old and older people who are LGBTQ+	
<u><b>Other: Social Inclusion</b></u> (please include families and friends with caring responsibilities; households in poverty; people for whom there are safeguarding concerns; people you consider to be vulnerable; people with health inequalities; refugees and asylum seekers; rural communities; and veterans and serving members of the armed forces and their families)			x medium positive in regard to access to services for old and older people who are LGBTQ+	

### **Initial health and wellbeing impact assessment by category**

***Please rate the impact that you perceive the service change is likely to have with regard to health and wellbeing, through stating this in the relevant column.***

***Please state if it is anticipated to be neutral (no impact) and add any extra notes that you think might be helpful for readers.***

<b>Health and wellbeing: individuals and communities in Shropshire</b>	<b>High negative impact</b> <i>Part Two HIA required</i>	<b>High positive impact</b>	<b>Medium positive or negative impact</b>	<b>Low positive negative or neutral impact (please specify)</b>
<b>Will the proposal have a <i>direct impact</i> on an individual's health, mental health and wellbeing?</b> For example, would it cause ill health, affecting social inclusion, independence and participation? .			X medium positive in regard to access to services for old and older people who are LGBTQ+	
<b>Will the proposal <i>indirectly impact</i> an individual's ability to</b>			X medium positive in	

<b>improve their own health and wellbeing?</b> For example, will it affect their ability to be physically active, choose healthy food, reduce drinking and smoking? .			regard to access to services for old and older people who are LGBTQ+	
<b>Will the policy have a <i>direct impact</i> on the community - social, economic and environmental living conditions that would impact health?</b> For example, would it affect housing, transport, child development, education, employment opportunities, availability of green space or climate change mitigation? .			X medium positive in regard to access to services for old and older people who are LGBTQ+	
<b>Will there be a likely change in <i>demand</i> for or access to health and social care services?</b> For example: Primary Care, Hospital Care, Community Services, Mental Health, Local Authority services including Social Services? .				x neutral to low positive as access to health and social care will be anticipated to be from an informed and engaged service user perspective

## **Guidance Notes**

### **1. Legal Context**

It is a legal requirement for local authorities to assess the equality and human rights impact of changes proposed or made to services. It is up to us as an authority to decide what form our equality impact assessment may take. By way of illustration, some local authorities focus more overtly upon human rights; some include safeguarding. It is about what is considered to be needed in a local authority's area, in line with local factors such as demography and strategic objectives as well as with the national legislative imperatives.

Carrying out these impact assessments helps us as a public authority to ensure that, as far as possible, we are taking actions to meet the general equality duty placed on

us by the Equality Act 2010, and to thus demonstrate that the three equality aims are integral to our decision making processes.

These are: eliminating discrimination, harassment and victimisation; advancing equality of opportunity; and fostering good relations.

These screening assessments for any proposed service change go to Cabinet as part of the committee report, or occasionally direct to Full Council, unless they are ones to do with Licensing, in which case they go to Strategic Licensing Committee.

Service areas would ordinarily carry out a screening assessment, or Stage One equality impact assessment. This enables energies to be focussed on review and monitoring and ongoing evidence collection about the positive or negative impacts of a service change upon groupings in the community, and for any adjustments to be considered and made accordingly.

These screening assessments are recommended to be undertaken at timely points in the development and implementation of the proposed service change.

For example, a Stage One ESHIA would be a recommended course of action before a consultation. This would draw upon the evidence available at that time, and identify the target audiences, and assess at that initial stage what the likely impact of the service change could be across the Protected Characteristic groupings and our tenth category of Social Inclusion. This ESHIA would set out intended actions to engage with the groupings, particularly those who are historically less likely to engage in public consultation eg young people, as otherwise we would not know their specific needs.

A second Stage One ESHIA would then be carried out after the consultation, to say what the feedback was, to set out changes proposed as a result of the feedback, and to say where responses were low and what the plans are to engage with groupings who did not really respond. This ESHIA would also draw more upon actions to review impacts in order to mitigate the negative and accentuate the positive. Examples of this approach include the Great Outdoors Strategy, and the Economic Growth Strategy 2017-2021

Meeting our Public Sector Equality Duty through carrying out these ESHIAs is very much about using them as an opportunity to demonstrate ongoing engagement across groupings and to thus visibly show we are taking what is called due regard of the needs of people in protected characteristic groupings

If the screening indicates that there are likely to be significant negative impacts for groupings within the community, the service area would need to carry out a full report, or Stage Two assessment. This will enable more evidence to be collected that will help the service area to reach an informed opinion.

In practice, Stage Two or Full Screening Assessments have only been recommended twice since 2014, as the ongoing mitigation of negative equality impacts should serve to keep them below the threshold for triggering a Full Screening Assessment. The expectation is that Full Screening Assessments in

regard to Health Impacts may occasionally need to be undertaken, but this would be very much the exception rather than the rule.

## **2. Council Wide and Service Area Policy and Practice on Equality, Social Inclusion and Health**

This involves taking an equality and social inclusion approach in planning changes to services, policies, or procedures, including those that may be required by Government. The decisions that you make when you are planning a service change need to be recorded, to demonstrate that you have thought about the possible equality impacts on communities and to show openness and transparency in your decision-making processes.

This is where Equality, Social Inclusion and Health Impact Assessments (ESHIA) come in. Where you carry out an ESHIA in your service area, this provides an opportunity to show:

- What evidence you have drawn upon to help you to recommend a strategy or policy or a course of action to Cabinet.
- What target groups and audiences you have worked with to date.
- What actions you will take in order to mitigate any likely negative impact upon a group or groupings, and enhance any positive effects for a group or groupings; and
- What actions you are planning to monitor and review the impact of your planned service change.

The formal template is there not only to help the service area but also to act as a stand-alone for a member of the public to read. The approach helps to identify whether or not any new or significant changes to services, including policies, procedures, functions, or projects, may have an adverse impact on a particular group of people, and whether the human rights of individuals may be affected.

There are nine Protected Characteristic groupings defined in the Equality Act 2010. The full list of groupings is: Age; Disability; Gender Reassignment; Marriage and Civil Partnership; Pregnancy and Maternity; Race; Religion or Belief; Sex; and Sexual Orientation.

There is also intersectionality between these. Eg a young person with a disability would be in the groupings of Age and Disability, and if they described themselves as having a faith they would then also be in the grouping of Religion or Belief.

We demonstrate equal treatment to people who are in these groups and to people who are not, through having what is termed 'due regard' to their needs and views when developing and implementing policy and strategy and when commissioning, procuring, arranging, or delivering services.

For the individuals and groupings who may be affected, ask yourself what impact do you think is likely and what actions will you currently anticipate taking, to mitigate or enhance likely impact of the service change? If you are reducing a service, for

example, there may be further use you could make of awareness raising through social media and other channels to reach more people who may be affected.

Social inclusion is then the wider additional category we use in Shropshire, in order to help us to go beyond the equality legislation in also considering impacts for individuals and households with regard to the circumstances in which they may find themselves across their life stages. This could be households on low incomes, or households facing challenges in accessing services, such as households in rural areas, and veterans and serving members of the armed forces and their families, or people that we might consider to be vulnerable, such as young people leaving care or refugee families.

Please note that the armed forces are now a grouping to whom we are required to give due regard under new Armed Forces legislation, although in practice we have been doing so for a number of years now.

When you are not carrying out an ESHIA, you still need to demonstrate and record that you have considered equality in your decision-making processes. It is up to you what format you choose.-You could use a checklist, an explanatory note, or a document setting out our expectations of standards of behaviour, for contractors to read and sign. It may well not be something that is in the public domain like an ESHIA, but you should still be ready for it to be made available.

**Both the approaches sit with a manager, and the manager has to make the call, and record the decision made on behalf of the Council.**

*Carry out an ESHIA:*

- If you are building or reconfiguring a building.
- If you are planning to reduce or remove a service.
- If you are consulting on a policy or a strategy.
- If you are bringing in a change to a process or procedure that involves other stakeholders and the wider community as well as particular groupings

*Carry out an equality and social inclusion approach:*

- If you are setting out how you expect a contractor to behave with regard to equality, where you are commissioning a service or product from them.
- If you are setting out the standards of behaviour that we expect from people who work with vulnerable groupings, such as taxi drivers that we license.
- If you are planning consultation and engagement activity, where we need to collect equality data in ways that will be proportionate and non-intrusive as well as meaningful for the purposes of the consultation itself.
- If you are looking at services provided by others that help the community, where we need to demonstrate a community leadership approach

### **3. Council wide and service area policy and practice on health and wellbeing**

This is a relatively new area to record within our overall assessments of impacts, for which we are asking service area leads to consider health and wellbeing impacts, much as they have been doing during 2020-2021 and 2021-2022, and to look at these in the context of direct and indirect impacts for individuals and for communities.

A better understanding across the Council of these impacts will also better enable the Public Health colleagues to prioritise activities to reduce health inequalities in ways that are evidence based and that link effectively with equality impact considerations and climate change mitigation.

## **Health in All Policies – Health Impact Assessment**

Health in All Policies is an upstream approach for health and wellbeing promotion and prevention, and to reduce health inequalities. The Health Impact Assessment (HIA) is the supporting mechanism

- Health Impact Assessment (HIA) is the technical name for a process that considers the wider effects of local policies, strategies and initiatives and how they, in turn, may affect people's health and wellbeing.
- Health Impact Assessment is a means of assessing both the positive and negative health impacts of a policy. It is also a means of developing good evidence-based policy and strategy using a structured process to review the impact.
- A Health Impact Assessment seeks to determine how to maximise health benefits and reduce health inequalities. It identifies any unintended health consequences. These consequences may support policy and strategy or may lead to suggestions for improvements.
- An agreed framework will set out a clear pathway through which a policy or strategy can be assessed and impacts with outcomes identified. It also sets out the support mechanisms for maximising health benefits.

The embedding of a Health in All Policies approach will support Shropshire Council through evidence-based practice and a whole systems approach, in achieving our corporate and partnership strategic priorities. This will assist the Council and partners in promoting, enabling and sustaining the health and wellbeing of individuals and communities whilst reducing health inequalities.

### **Individuals**

#### **Will the proposal have a *direct impact* on health, mental health and wellbeing?**

For example, would it cause ill health, affecting social inclusion, independence and participation?

Will the proposal directly affect an individual's ability to improve their own health and wellbeing?



This could include the following: their ability to be physically active e.g., being able to use a cycle route; to access food more easily; to change lifestyle in ways that are of positive impact for their health.

An example of this could be that you may be involved in proposals for the establishment of safer walking and cycling routes (e.g., green highways), and changes to public transport that could encourage people away from car usage. and increase the number of journeys that they make on public transport, by foot or on bicycle or scooter. This could improve lives.

**Will the proposal *indirectly impact* an individual's ability to improve their own health and wellbeing?**

This could include the following: their ability to access local facilities e.g., to access food more easily, or to access a means of mobility to local services and amenities? (e.g. change to bus route)

Similarly to the above, an example of this could be that you may be involved in proposals for the establishment of safer walking and cycling routes (e.g. pedestrianisation of town centres), and changes to public transport that could encourage people away from car usage, and increase the number of journeys that they make on public transport, by foot or on bicycle or scooter. This could improve their health and well being.

**Communities**

Will the proposal directly or indirectly affect the physical health, mental health, and wellbeing of the wider community?

A *direct impact* could include either the causing of ill health, affecting social inclusion, independence and participation, or the promotion of better health.

An example of this could be that safer walking and cycling routes could help the wider community, as more people across groupings may be encouraged to walk more, and as there will be reductions in emission leading to better air quality.

An *indirect impact* could mean that a service change could indirectly affect living and working conditions and therefore the health and well being of the wider community.

An example of this could be: an increase in the availability of warm homes would improve the quality of the housing offer in Shropshire and reduce the costs for households of having a warm home in Shropshire. Often a health promoting approach also supports our agenda to reduce the level of Carbon Dioxide emissions and to reduce the impact of climate change.

Please record whether at this stage you consider the proposed service change to have a direct or an indirect impact upon communities.

**Demand**

**Will there be a change in demand for or access to health, local authority and social care services?**

For example: Primary Care, Hospital Care, Community Services, Mental Health and Social Services?

An example of this could be: a new housing development in an area would affect demand for primary care and local authority facilities and services in that location and surrounding areas. If the housing development does not factor in consideration of availability of green space and safety within the public realm, further down the line there could be an increased demand upon health and social care services as a result of the lack of opportunities for physical recreation, and reluctance of some groupings to venture outside if they do not perceive it to be safe.

***For further advice: please contact***

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## Committee and Date

Cabinet  
22<sup>nd</sup> November 2023

Item

Public



## Ombudsman Compliant Handling Code

<b>Responsible Officer:</b>	Nigel Newman, Head of Communications and Engagement		
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<b>Cabinet Member</b> (Portfolio Holder):	Cllr Robert Macey, Culture & Digital		

### 1. Synopsis

The Local Government and Social Care Ombudsman (LGSCO) is consulting on a Complaint Handling Code which will have an impact on how Shropshire Council deals with complaints. This paper seeks cabinet approval for the council's draft response to the LGSCO's consultation.

### 2. Executive Summary

- 2.1 Effective complaints handling is a sign of a healthy well-run organisation, which places value in complaints and which can help identify any shortcomings in service provision. As such, ensuring the Council enables people to register complaints about service shortcomings with a very transparent and open process is key to a Healthy Organisation, as set out in the Shropshire Plan. The Council already clearly publishes and promotes its complaints procedures, and it reports publicly on the volume and trends in complaints within an annual Customer Feedback report which is presented to Cabinet.
- 2.2 Complaints which cannot be resolved using the Council's complaints procedures can be referred to the LGSCO.

- 2.3 In August 2023, the LGCSO published its proposals for reform of complaints processes for public bodies that are within its scope, including council complaints processes. This seeks to establish a range of minimum standards that councils and housing providers must comply with when dealing with and responding to complaints. The draft proposals are listed in Appendix A.
- 2.4 The proposals made by the LGSCO, if not amended, will impact on Shropshire Council's current corporate complaints procedures and approach. In particular, the proposed changes will require services to devote more speed and resource to complaints response times and place new demands on the team that handles and processes Stage 1 and Stage 2 complaints.
- 2.5 Officers have prepared a draft response to the LGSCO consultation which is attached at Appendix B.
- 2.6 The LGSCO is seeking to apply these changes into a new Code from April 2024. Bodies governed by the Code will then have until April 2025 to comply with the Code and will need to publish an annual self-assessment of compliance with the Code with a requirement to "comply or explain".

### **3 Recommendations**

- a) Cabinet notes the implications of the new code for the Council's complaint handling process and identify a Member specifically responsible for complaints
- b) Cabinet approves (with amendments if appropriate) the draft response to the LGSCO consultation set out at Appendix B.

### **4 Risk Assessment and Opportunities Appraisal**

- 4.1 An effective and efficient complaints process provides the opportunity to manage risks and identify any trends and common issues being raised through customer feedback and make improvements to services.
- 4.2 The complaints process is an important way of capturing residents' opinion of Shropshire Council services, identifying any shortcomings and how these can be rectified. Having an effective and open complaint process is an important part in one of the key objectives of The Shropshire Plan, creating a Healthy Organisation
- 4.3 The changes proposed by the LGCSO, for example around shorter response times for complaints will create significant resource challenges such as responding to new shorter complaint timeframes. Work is shortly taking place to review the Council's complaint processes and this review will take account of these challenges and how they can be mitigated.
- 4.4 If the Council does not comply with changes set out in the new Code, this may lead to the LGSCO highlighting more complaints issues and the impact this may have on the Council's reputation. The changes proposed by the LGSCO, however, can also act as a catalyst to drive further improvements in complaints processes and responses across the Council and this impetus can help prevent issues escalating to the LGCSO.

## 5 Financial Implications

- 5.1 This report presents information to support decision making and does not itself carry any direct financial implications. However, systems and measures that help prevent complaints escalating, particularly to Stage 2 (which are currently all dealt with by the Council's Corporate Complaints Monitoring Officer) or LGSCO complaints, may help reduce the staff time required to deal with complaints. Accountable officers and senior managers may use the information to inform actions or interventions for improving service performance and the prioritisation and use of resources.

## 6 Climate Change Appraisal

- 6.1 There are no direct effects on the Council's climate change agenda as a result of this report.

## 7 Background

- 7.1 The Council's draft response to the LGSCO is at Appendix B. This has been drafted by the Feedback and Insight Team leader together with the Assistant Director Legal and Governance (who is also the Council's Corporate Complaints Monitoring Officer) for response to the consultation.
- 7.2 This highlights some areas of concern regarding the impact that some of the proposed changes could have. As part of the Council's transformation work, a review will shortly begin of the council's complaints processes, and this will take account of how the council can best adapt to the new LGSCO Joint Complaint Handling Code when this comes into effect.
- 7.3 Among the key changes currently proposed by the LGCSO are:
- Reducing response times for Stage 1 from 30 to 10 working days and Stage 2 from 30 to 20 working days. This may have resource implications for the council. The Team and Service Managers who deal with most Stage 1 responses will be placed under increased pressure with this challenging requirement. The Complaints Monitoring Officer will also be under increased pressure given the reduced time to respond to Stage 2 review requests. For context, in 2022/23 the average response time for Stage 1 complaints across the Council was 26 days, underlining the scale of challenge to meet the 10-day response time propose by the LGSCO, considering other service pressures.
  - Councils must make reasonable adjustment for individuals where appropriate under the 2010 Equality Act and record any protected characteristics and vulnerabilities. This will be a challenge given that the Complaints Team do not have a particular expertise in the practical requirements of the Equality Act
  - Appointing a Member responsible for complaints who must receive regular updates, performance, and trends. Complaints are currently covered as part of the Cabinet member for Culture and Digital portfolio.

- Where we ask for feedback on a service, councils must include details of how an individual can complain.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

[Annual Customer Feedback Report 2022/23](#)

**Local Member:** All

### **Appendices**

Appendix A - LGCSO's Joint Complaint Handling Code 1

Appendix B - Council's draft response to LGSCO consultation

# Joint Complaint Handling Code

**Date published: TBC**

**Date applicable: TBC**

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## Introduction

Good complaint handling requires effective procedures and well-trained staff alongside a positive complaints culture that enables those procedures to achieve maximum impact. This code sets out what an organisation must do procedurally to handle complaints. Compliance with the code is most effective within an organisation that is fair, puts things right, and learns from outcomes.

Organisations must embrace complaints through increased transparency, accessibility, and complaint handling governance. Demonstrating that individuals are at the heart of its service delivery and good complaint handling is central to that.

Some organisations see complaints as a form of negative feedback. However, there are many benefits to be gained from having an effective and efficient complaints process:

- Good complaint handling promotes a positive relationship between an organisation and service users.
- Complaints allow an issue to be resolved before it becomes worse. Those issues not resolved quickly can take significant resource and time to remedy.
- Involvement in complaint resolution develops staff ownership, decision-making and engagement.
- Complaints provide senior staff with essential insight into day-to-day operations, allowing them to assess effectiveness and drive a positive complaint handling culture.
- Data collected about complaints can be analysed and used to inform key business decisions to drive improvement in service provision.

The Joint Complaint Handling Code ('the Code'), from the Housing Ombudsman and Local Government and Social Care Ombudsman, sets out requirements for organisations that will allow them to respond to complaints effectively and fairly. The purpose of the Code is to enable organisations to resolve complaints raised by individuals quickly, and to use the data and learning from complaints to drive service improvements. It will also help to create a positive complaint handling culture amongst staff and individuals.

Non-compliance with the Code could result in the relevant Ombudsman taking further action. The Housing Ombudsman has a duty to monitor compliance with the Code and the power to issue Complaint Handling Failure Orders. The Local Government and Social Care Ombudsman has the power to issue public reports about the actions of individual organisations.

Organisations will be asked to self-assess against the Code annually on a 'comply or explain' basis, and publish this on their website or appropriate public forum if an organisation does not host a website. The self-assessment provides a snapshot of not just compliance with the Code, but the culture of an organisation.

The Code will act as a guide for individuals setting out what they can and should expect from an organisation when they make a complaint. The requirements in the

Code also provide individuals with information about how to make a complaint and how to progress it through an organisation's internal complaints procedure.

Organisations should seek feedback from individuals in relation to their complaint handling as part of the drive to encourage a positive complaint and learning culture.

The Code supports the regulatory approach to complaints by ensuring that an organisation's approach to complaints is clear, simple, and accessible, and that complaints are resolved promptly, politely and fairly.

Organisations must have a single policy for dealing with complaints covered by the Code. Individuals must not be treated differently based on the service they are complaining about.

## **Powers**

### **The Housing Ombudsman**

The Code is statutory under the Housing Ombudsman's powers in the Housing Act 1996, as amended by the Social Housing (Regulation) Act 2023.

By issuing a statutory Code, landlords have a duty to comply with it and the Housing Ombudsman has a duty to monitor compliance against it. This will be delivered through individual investigation findings, submissions of the Code self-assessment and monitoring relevant data, including complaint handling performance.

Under paragraphs 13-15 of the Housing Ombudsman Scheme, the Housing Ombudsman has the power to issue, and publish, Complaint Handling Failure Orders (CHFOs) for failing to comply with the Code.

The Code applies to all member landlords of the Housing Ombudsman Scheme.

### **The Local Government and Social Care Ombudsman**

The Code is issued under the Local Government and Social Care Ombudsman's powers to provide "guidance about good administrative practice" to organisations under section 23(12A) of the Local Government Act 1974.

The Local Government and Social Care Ombudsman may consider failure to comply with the Code as maladministration or service failure.

The Local Government and Social Care Ombudsman considers that the Code applies to all local authorities in England, as well as other specified bodies. The Code does not replace any statutory complaint processes such as The Children Act 1989 Representations Procedure (England) Regulations 2006 or Local Authority Social Services and National Health Service Complaints (England) Regulations 2009.

## **Compliance with the Code**

Organisations must comply with the Code.

Where an organisation's policy does not comply with the Code the organisation must provide a satisfactory explanation for non-compliance in their self-assessment and, where appropriate, the date by which the organisation intends to comply.

Where an organisation is unable to comply with the Code when dealing with an individual complaint, the individual must be provided with a suitable explanation and signposted to the relevant Ombudsman. We describe this as 'comply or explain' throughout the Code, and this relates only to individual cases. An organisation's complaints policy and any associated procedures must comply with the Code.

Where an organisation is unable to comply with the Code due to exceptional circumstances, such as a cyber incident they must inform the relevant Ombudsman and provide information to individuals who may be affected, and publish this on their website if they have one. Organisations must provide a timescale for returning to compliance with the Code.

Where the relevant Ombudsman finds an organisation has deviated from the Code without good reason, it may use its powers to put matters right and ensure compliance with the Code. The Code must be considered along with accompanying guidance setting out how each Ombudsman will use its powers in relation to this Code.

# The Complaint Handling Code

## The complaints process

### 1. Definition of a complaint

- 1.1 Effective complaint handling enables individuals to be heard and understood. The starting point for this is a shared understanding of what constitutes a complaint.
- 1.2 A complaint must be defined as:  
*‘an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual or group of individuals.’*
- 1.3 An individual does not have to use the word ‘complaint’ for it to be treated as such. A complaint that is submitted via a third party or representative must still be handled in line with the organisation’s complaints policy.
- 1.4 Organisations must recognise the difference between a **service request** and a **complaint**. This must be set out in their complaints policy. A service request is a request from an individual to the organisation requiring action to be taken to put something right. Service requests are not complaints, but must be recorded, monitored and reviewed regularly. A complaint must be raised when the individual expresses dissatisfaction with the response to their service request, even if the handling of the service request remains ongoing. An organisation must not stop its efforts to address the service request if the individual complains.
- 1.5 Where an organisation asks for feedback about its services through a survey, it must provide details of how individuals can complain so they can pursue any dissatisfaction if they so wish.

### 2. Exclusions

- 2.1 An organisation must accept a complaint unless there is a valid reason not to do so. If the organisation decides not to accept a complaint it must be able to evidence its reasoning. Each complaint must be considered on its own merits.
- 2.2 Organisations must accept complaints referred to them within 12 months of the issue occurring, or the individual becoming aware of the issue. Organisations must consider whether to apply discretion to accept complaints made outside this time limit where there are good reasons to do so.
- 2.3 Organisations must not exclude complaints about safeguarding or health and safety issues.
- 2.4 A complaints policy must set out the circumstances in which a matter might not be considered or escalated. Organisations must ensure that these are reasonable, and in line with guidance issued by the relevant Ombudsman.

Members of the Housing Ombudsman can refer to the Scheme for explanations about exclusions.

- 2.5 If an organisation decides not to accept a complaint, a detailed explanation must be provided to the individual setting out the reasons why the matter is not suitable for the complaints process and the right to take that decision to the relevant Ombudsman. If the relevant Ombudsman does not agree that the exclusion has been fairly applied, the Ombudsman may tell the organisation to take on the complaint.
- 2.6 Organisations must not take a blanket approach to excluding complaints; they must consider the individual circumstances of each complaint.

### **3. Accessibility and awareness**

- 3.1 Organisations must make it easy for individuals to complain by providing different channels through which they can make a complaint. Organisations must consider their duties under the Equality Act 2010 and anticipate the needs and reasonable adjustments of individuals who may need to access the complaints process.
- 3.2 Individuals must be able to raise their complaints in any way and with any member of staff. This includes complaints made directly to the organisation via social media. All staff must be aware of the complaints process and be able to pass details of the complaint to the appropriate person within the organisation.
- 3.3 High volumes of complaints must not be seen as a negative, as they can be indicative of a well-publicised and accessible complaints process. Low complaint volumes are potentially a sign that individuals are unable to complain.
- 3.4 Organisations must make their complaint policy available in a clear and accessible format for all individuals. This will detail the number of stages involved, what will happen at each stage, and the timeframes for responding. The policy must also be published on the organisation's website.
- 3.5 The policy must explain how the organisation will publicise details of the complaints policy, including information about relevant Ombudsman schemes and this Code.
- 3.6 Organisations must give individuals the opportunity to have a suitable representative deal with their complaint on their behalf, and to be represented or accompanied at any meeting with the organisation.
- 3.7 Organisations must provide individuals with information on their right to access the relevant Ombudsman service and how the individual can engage with the relevant Ombudsman about their complaint.

#### **4. Complaint handling staff**

- 4.1 Organisations must have a person or team assigned to take responsibility for complaint handling, including liaison with the relevant Ombudsman and ensuring complaints are reported to the governing body (or equivalent). This Code will refer to that person or team as the “*complaints officer*”. This role may be in addition to other duties.
- 4.2 The complaints officer must have access to staff at all levels to facilitate the quick resolution of complaints and report on complaint handling performance. They must also have the authority and autonomy to act to resolve disputes quickly and fairly.
- 4.3 Organisations are expected to prioritise complaint handling and a culture of learning from complaints. All relevant staff must be suitably trained in the importance of complaint handling. It is important that complaints teams are seen as a core service, and not given any additional roles that impact their ability to handle complaints effectively.

#### **5. The complaint handling process**

- 5.1 Organisations must have a single policy for dealing with complaints covered by the Code. Individuals must not be treated differently based on the service they are complaining about.
- 5.2 The early and local resolution of issues between organisations and individuals is key to effective complaint handling. Organisations must ensure that there is one policy in place for complaints covered by this Code. It is not appropriate to have extra named stages (such as ‘stage 0’ or ‘informal complaint’) as this causes unnecessary confusion.
- 5.3 When an individual expresses dissatisfaction, organisations must register the issue as a complaint. Organisations must then set out their understanding of the complaint and the outcomes the individual is seeking. This Code will refer to this as “the complaint definition”. If any aspect of the complaint is unclear, the individual must be asked for clarification.
- 5.4 The complaint handler must:
  - a) clarify with the individual any aspects of the complaint they are unclear about;
  - b) deal with complaints on their merits, act independently, and have an open mind;
  - c) give the individual a fair chance to set out their position;
  - d) take measures to address any actual or perceived conflict of interest; and
  - e) consider all relevant information and evidence carefully.

- 5.5 When defining a complaint, organisations must be clear which aspects of the complaint they are, and are not, responsible for and clarify any areas where this is not clear.
- 5.6 Communication with the individual must not identify individual members of staff or contractors, except in exceptional circumstances, as their actions are undertaken on behalf of the organisation.
- 5.7 Where a response to a complaint will fall outside the timescales set out in this Code the organisation must agree with the individual suitable intervals for keeping them informed about their complaint.
- 5.8 Organisations must make reasonable adjustments for individuals where appropriate under the Equality Act 2010. Organisations must keep a record of any reasonable adjustments agreed, as well as a record of any disabilities an individual has disclosed. Any agreed reasonable adjustments must be kept under active review.
- 5.9 Organisations must not refuse to escalate a complaint through all stages of the complaints procedure unless it has valid reasons to do so. Organisations must clearly set out these reasons, and they must align with the exclusions permitted under section 2 above.
- 5.10 A full record must be kept of the complaint, and the outcomes at each stage. This must include the original complaint and the date received, all correspondence with the individual, correspondence with other parties, and any relevant supporting documentation such as reports or surveys.
- 5.11 Organisations must have systems in place to ensure that a complaint can be remedied at any stage of its complaints process. Organisations must ensure that appropriate remedies can be provided at any stage of the complaints process without the need for escalation.
- 5.12 Organisations must have policies and procedures in place for managing unacceptable behaviour from individuals and/or their representatives. Organisations must be able to evidence reasons for putting any restrictions in place and must keep an individual's restrictions under regular review.
- 5.13 Any restrictions placed on an individual's contact due to unacceptable behaviour must be proportionate and demonstrate regard for the provisions of the Equality Act 2010.

## **6. Complaints stages**

### **Stage 1**

- 6.1 Organisations must have processes in place to consider which complaints can be responded to as early as possible, and which require further investigation. Organisations must consider factors such as the complexity of the complaint and whether the individual is vulnerable or at risk. Most stage 1 complaints can



be resolved quickly and an explanation, apology or resolution provided to the individual.

- 6.2 Complaints must be acknowledged and logged at stage 1 of the complaints procedure **within five working days of the complaint being received**.
- 6.3 Organisations must issue a full response to stage 1 complaints **within 10 working days** of the complaint being received.
- 6.4 Organisations must decide whether an extension to this timescale is needed when considering the complexity of the complaint and then inform individuals of the expected timescale for response. Any extension must be no more than 10 working days without good reason, and the reason(s) must be clearly explained to the individual.
- 6.5 When an organisation informs an individual about an extension to these timescales, they must be provided with the contact details of the relevant Ombudsman.
- 6.6 A complaint response must be sent to the individual when the answer to the complaint is known, not when the outstanding actions required to address the issue are completed. Outstanding actions must still be tracked and actioned promptly with appropriate updates provided to the individual.
- 6.7 Organisations must address all points raised in the complaint definition and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.
- 6.8 If an organisation has got something wrong it must record the complaint as being upheld, even if there are elements of the complaint it has not upheld. It is not appropriate to record a complaint as being partially upheld.
- 6.9 Where individuals raise additional complaints during the investigation, these must be incorporated into the stage 1 response if they are related and the stage 1 response has not been issued. Where the stage 1 response has been issued, the new issues are unrelated to the issues already being investigated, or it would unreasonably delay the response, the new issues must be logged as a new complaint.
- 6.10 Organisations must confirm the following in writing to the individual at the completion of stage 1 in clear, plain language:
  - a) the complaint stage;
  - b) the complaint definition;
  - c) the decision on the complaint;
  - d) the reasons for any decisions made;
  - e) the details of any remedy offered to put things right;
  - f) details of any outstanding actions; and

- g) details of how to escalate the matter to stage 2 if the individual is not satisfied with the response.

6.11 Organisations must have systems in place to ensure that a complaint can be remedied at any stage of its complaints process. Individuals must not be required to escalate a complaint in order to get an appropriate remedy.

## **Stage 2 Review**

6.12 If all or part of the complaint is not resolved to the individual's satisfaction at stage 1, it must be progressed to stage 2 of the organisation's procedure. Stage 2 is the organisation's final response and must be sent by a staff-member authorised to speak on its behalf.

6.13 Requests for stage 2 must be acknowledged and logged at stage 2 of the complaints procedure within five working days of the escalation request being received.

6.14 Individuals must not be required to explain their reasons for requesting a stage 2 consideration. Organisations are expected to make reasonable efforts to understand why an individual remains unhappy as part of its stage 2 response.

6.15 Stage 2 consideration must be a review of the adequacy of the stage 1 response, as well as any new and relevant information not previously considered. Stage 2 must not be a more thorough, detailed investigation of the complaint. It is expected that this will have happened at stage 1.

6.16 On receipt of the escalation request, organisations must set out their understanding of any outstanding issues and the outcomes the individual is seeking. If any aspect of the complaint is unclear, the individual must be asked for clarification.

6.17 The person considering the complaint at stage 2 must not be the same person that considered the complaint at stage 1.

6.18 Organisations must issue a final response to the stage 2 review **within 20 working days** of the complaint being escalated by the individual.

6.19 Organisations must decide whether an extension to this timescale is needed when considering the complexity of the complaint and then inform individuals of the expected timescale for response. Any extension must be no more than 20 working days without good reason, and the reason(s) must be clearly explained to the individual.

6.20 When an organisation informs an individual about an extension to these timescales they must be provided with the contact details of the relevant Ombudsman.

6.21 Organisations must confirm the following in writing to the individual at the completion of stage 2 in clear, plain language:

- a) the complaint stage;
- b) the complaint definition;

- c) the decision on the complaint;
- d) the reasons for any decisions made;
- e) the details of any remedy offered to put things right;
- f) details of any outstanding actions; and
- g) details of how to escalate the matter to the relevant Ombudsman Service if the individual remains dissatisfied.

6.22 If a complaint is upheld at stage 1, and the stage 2 response agrees with those findings, the complaint must be recorded as upheld. This is the case even if the stage 2 response finds no fault in the way the stage 1 complaint was handled.

### **Further stage**

6.23 Stage 2 is the organisation's final response and must involve all suitable staff members needed to issue such a response.

6.24 A process with more than two stages is not acceptable under any circumstances as this will make the complaint process unduly long and delay access to the relevant Ombudsman.

6.25 Where an organisation's complaint response is handled by a third party (e.g. a contractor) or independent adjudicator at any stage, it must form part of the two stage complaints process set out in this Code. Individuals must not be expected to go through two complaints processes.

6.26 Organisations are responsible for ensuring that any third parties handle complaints in line with the Code.

## **7. Putting things right**

7.1 Where something has gone wrong an organisation must acknowledge this and set out the actions it has already taken, or intends to take, to put things right. These can include:

- Apologising;
- Acknowledging where things have gone wrong;
- Providing an explanation, assistance or reasons;
- Taking action if there has been delay;
- Reconsidering or changing a decision;
- Amending a record or adding a correction or addendum;
- Providing a financial remedy;
- Changing policies, procedures or practices.

7.2 Any remedy offered must reflect the impact on the individual as a result of any fault identified.

7.3 The remedy offer must clearly set out what will happen and by when, in agreement with the individual where appropriate. Any remedy proposed must be followed through to completion.

7.4 Organisations must take account of the guidance issued by the relevant Ombudsman when deciding on appropriate remedies.

## **8. Self-assessment, reporting and compliance**

8.1 Organisations must produce an annual complaints performance and service improvement report for scrutiny and challenge, which must include:

- a) the annual self-assessment against this Code to ensure their complaint handling policy remains in line with its requirements.
- b) a qualitative and quantitative analysis of the organisation's complaint handling performance. This must also include a summary of the types of complaints the organisation has refused to accept;
- c) any findings of non-compliance with this Code;
- d) the service improvements made as a result of the learning from complaints;
- e) any annual report about the organisation's performance from the relevant Ombudsman; and
- f) any other relevant reports or publications produced by the relevant Ombudsman in relation to the work of the organisation.

8.2 The annual complaints performance and service improvement report must be reported to its governing body (or equivalent) and published on the on the section of its website relating to complaints. The governing body's response to the report must be published alongside this.

8.3 Organisations must also carry out a self-assessment following a significant restructure, merger and/or change in procedures.

8.4 Organisations may be asked to review and update the self-assessment following an Ombudsman investigation.

8.5 If an organisation is unable to comply with the Code due to exceptional circumstances, such as a cyber incident they must inform the relevant Ombudsman, provide information to individuals who may be affected, and publish this on their website if they have one. Organisations must provide a timescale for returning to compliance with the Code.

## **9. Scrutiny & oversight: continuous learning and improvement**

9.1 Organisations must look beyond the circumstances of the individual complaint and consider whether service improvements can be made as a result of any learning from the complaint.

- 9.2 A positive complaint handling culture is integral to the effectiveness with which organisations resolve disputes. Organisations must use complaints as a source of intelligence to identify issues and introduce positive changes in service delivery.
- 9.3 Accountability and transparency are also integral to a positive organisational culture. Organisations must report back on wider learning and improvements from complaints to stakeholders, such as citizens' or residents' panels, staff and relevant committees.
- 9.4 The organisation must appoint a suitably senior executive to oversee its complaint handling performance. This person must assess any themes or trends to identify potential systemic issues, serious risks, or policies and procedures that require revision.
- 9.5 In addition to this a member of the governing body (or equivalent) must be appointed to have lead responsibility for complaints to support a positive complaint handling culture. This person is referred to as the Member Responsible for Complaints (The Member).
- 9.6 The Member will be responsible for ensuring the governing body receives regular information on complaints that provides insight on the organisation's complaint handling performance. This person must have access to suitable information and staff to perform this role and report on their findings.
- 9.7 As a minimum, the Member and the governing body (or equivalent) must receive:
- a) regular updates on the volume, categories, and outcomes of complaints, alongside complaint handling performance.
  - b) regular reviews of issues and trends arising from complaint handling; and
  - c) the annual complaints performance and service improvement report.
- 9.8 Organisations must have a standard objective in relation to complaint handling for all relevant employees or third parties that reflects the need to:
- have a collaborative and co-operative approach towards resolving complaints, working with colleagues across teams and departments;
  - take collective responsibility for any shortfalls identified through complaints, rather than blaming others; and
  - act within the professional standards for engaging with complaints as set by any relevant professional body.

## Appendix A – Self-Assessment

This self-assessment must be completed and must be shared with the organisation's governing body (or equivalent) annually as part of the complaints performance and service improvement report.

Evidence must be included to demonstrate compliance in practice as part of the other elements of the annual complaints performance and service improvement report with additional commentary as necessary. For example, this could include records of quality assurance checks on complaint responses, exclusions and feedback from relevant staff. If the failure to meet a requirement only relates to one service area or department this must be made clear in the commentary section.

When completing the self-assessment, organisations should not focus on the number of complaints received. Recording a high number of complaints may be an indication that the organisation welcomes complaints and that individuals are able to access the complaints process easily. Organisations should focus on timescales for responding to complaints and complaint outcomes.

Members of the Housing Ombudsman must submit a copy of their self-assessment as part of their annual complaints performance and service improvement report, following the guidance for submissions. The submissions will be used to assess the organisation's compliance with the Code in line with the Housing Ombudsman's duty to monitor against this.

The Local Government and Social Care Ombudsman may consider the complaints performance and service improvement report as part of an investigation or its own annual review of complaints.

## Self assessment

### Section 1 - Definition of a complaint

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
1.2/ 1.4	Complaints are defined in line with the Code and we recognise the difference between a service request and a complaint.			
1.3	Complaints submitted via a third party or representative are handled in line with our complaints policy.			
1.5	Individuals completing surveys are made aware of how to complain.			

## Section 2 – Exclusions

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
2.1	Our policy clearly states that complaints will be accepted unless there is a valid reason not to do so.			
2.2	Complaints are accepted when referred to us within 12 months of the issue occurring, or the individual becoming aware of the issue.			
2.3	We do not exclude complaints about safeguarding, or health and safety issues.			
2.4	Our policy sets out the circumstances in which a matter might not be considered or escalated.			
2.5	Where we decline to consider a complaint we explain our reasons to the individual and signpost them to the relevant Ombudsman.			



### Section 3 - Accessibility and awareness

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
3.1	We provide different channels through which individuals can make a complaint. We have considered our duties under the Equality Act 2010 and anticipated the needs of individuals who may need to access the complaints process.			
3.2	Individuals can raise their complaints in any way and with any member of staff. This includes complaints made directly to the organisation via social media. All staff are aware of the complaint process and able to pass details of the complaint to the appropriate person.			
3.3	We do not view high volumes of complaints as a negative. We analyse areas where there are low volumes of complaints to ensure individuals are able to complain.			

<b>Code section</b>	<b>Code requirement</b>	<b>Comply: Yes/No</b>	<b>Explanations and Commentary</b>	<b>Evidence</b>
3.4	Our complaints policy is available in a clear and accessible format for all individuals. The policy is published on our website.			
3.5	Our complaints policy explains how we will publicise details of the complaints policy and information about the relevant Ombudsman schemes.			
3.6	We give individuals the opportunity to have a suitable representative deal with their complaint on their behalf, and to be represented or accompanied at any meeting with us.			
3.7	We provide individuals with information on their right to access the relevant Ombudsman service and how the individual can engage with the relevant Ombudsman about their complaint.			

## Section 4 - Complaint handling staff

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
4.1	We have a person or team assigned to take responsibility for the complaint handling process, including liaison with the relevant Ombudsman and ensuring that complaints are reported to our governing body (or equivalent).			
4.2	The complaints officer has access to staff at all levels to facilitate the quick resolution of complaints and report on complaint handling performance. They have the authority and autonomy to act to resolve disputes quickly and fairly.			
4.3	We prioritise complaint handling and a culture of learning from complaints.  All staff are suitably trained in the importance of complaint handling.  Complaints teams are seen as a core service and not given additional roles that impact their ability to handle complaints effectively.			

## Section 5 - Complaint handling process

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
5.1	We have a single policy for dealing with complaints covered by the Code.			
5.2	We do not have extra named stages (such as 'stage 0' or 'informal complaint').			
5.3	We register complaints when an individual expresses dissatisfaction.  We then set out our understanding of the complaint and the outcomes the individual is seeking.  We seek clarification from individuals if the complaint is unclear.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
5.4	<p>Our complaint handlers:</p> <ul style="list-style-type: none"> <li>a) clarify with the individual any aspects of the complaint they are unclear about;</li> <li>b) deal with complaints on their merits, act independently, and have an open mind;</li> <li>c) give individuals a fair chance to set out their position;</li> <li>d) take measures to address any actual or perceived conflict of interest; and</li> <li>e) consider all relevant information and evidence carefully.</li> </ul>			
5.5	We are clear with individuals about which aspects of the complaint we are not responsible for.			
5.6	Our communication with individuals does not generally identify individual members of staff or contractors.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
5.7	Where a response to a complaint will fall outside the timescales set out in the Code we agree with individual suitable intervals for keeping them informed about their complaint.			
5.8	We make reasonable adjustments for individuals where appropriate under the Equality Act 2010. We keep a record of agreed reasonable adjustments and keep these under review.			
5.9	We do not refuse to escalate complaints unless there are valid reasons for doing so.			
5.10	We keep a full record of the complaint, and the outcomes at each stage. This includes the original complaint and the date received, all correspondence with the individual, correspondence with other parties and any relevant supporting documentation such as reports or surveys.			
5.11	We have systems in place to ensure that a complaint can be remedied at any stage of our complaints process.			

<b>Code section</b>	<b>Code requirement</b>	<b>Comply: Yes/No</b>	<b>Explanations and Commentary</b>	<b>Evidence</b>
5.12	We have a policy and procedure in place for managing unacceptable behaviour from individuals and/or their representatives. We are able to evidence reasons for putting any restrictions in place and keep these restrictions under review. Restrictions are subject to an annual review as a minimum.			
5.13	Any restrictions placed on an individual's contact due to unacceptable behaviour are proportionate and have regard to the provisions of the Equality Act 2010.			

## Section 6 - Complaint stages

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
Stage 1				
6.1	We have processes in place that allow us to identify whether complaints can be responded to quickly or whether they require further consideration.			
6.1	We take account of the complexity of the complaint and whether individuals are vulnerable or at risk when deciding how quickly we should respond to a complaint.			
6.2	Complaints are acknowledged and logged within five working days of receipt.			
6.3	We issue a final response to stage 1 complaints <u>within 10 working days</u> of the complaint being received.			



Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
6.4	Any extension to this timescale is taken in line with the “comply or explain” principles set out in the Code and clearly communicated to the complainant.  Extensions to timescales for responding do not exceed 10 days.			
6.5	When we inform an individual about an extension to these timescales we provide them with the contact details of the relevant Ombudsman.			
6.6	A complaint response is sent to individuals when the answer to the complaint is known, not when the outstanding actions required to address the issue are completed. Outstanding actions are tracked and actioned promptly with appropriate updates provided to the individual.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
6.7	We address all points raised in the complaint definition and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.			
6.8	Where we have got something wrong we record the complaint as “upheld” even if there are elements of the complaint which are not “upheld”. We do not record complaints as being “partially upheld”.			
6.9	We deal with additional complaints raised during the investigation or after a stage 1 response has been issued in line with the requirements of the Code.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
6.10	<p>We confirm the following in writing to individuals at the completion of stage 1 in clear, plain language:</p> <ul style="list-style-type: none"> <li>a. the complaint stage;</li> <li>b. the complaint definition</li> <li>c. the decision on the complaint;</li> <li>d. the reasons for any decisions made;</li> <li>e. the details of any remedy offered to put things right;</li> <li>f. details of any outstanding actions; and</li> <li>g. details of how to escalate the matter to stage 2 if the individual is not satisfied with the response.</li> </ul>			
6.11	We have systems in place to ensure that a complaint can be remedied at any stage of our complaints process.			

Stage 2 Review				
6.12	We progress complaints to stage 2 where all or part of the complaint has not been resolved to the individual's satisfaction. This is sent by a staff-member authorised to speak on behalf of the organisation.			
6.13	Requests for stage 2 are acknowledged and logged at stage 2 of the complaints procedure within five working days of receipt.			
6.14	Individuals do not have to explain their reasons for wanting a stage 2, simply that they remain unhappy.			
6.15	Stage 2 consideration is a review of the adequacy of the stage 1 response as well as any new and relevant information not previously considered. Stage 2 is not a more thorough, detailed investigation of the complaint.			

6.16	<p>If any aspect of the complaint is unclear, we ask the individual for clarification.</p> <p>On receipt of the escalation request, we set out our understanding of any outstanding issues and the outcomes the individual is seeking.</p>			
6.17	The person considering the complaint at stage 2 is never the same person that considered the complaint at stage 1.			
6.18	We respond to the stage 2 reviews <u>within 20 working days</u> of the complaint being escalated by the individual.			
6.19	Extensions to the stage 2 timescale are taken in line with the “comply or explain” principles set out in the Code and clearly communicated to the complainant.			
6.19	Extensions to the timescale for a response do not exceed 20 working days.			

6.20	When we inform an individual about an extension to stage 2 timescales they are provided with the contact details of the relevant Ombudsman.			
6.21	<p>We confirm the following in writing to the individual at the completion of stage 2 in clear, plain language:</p> <ul style="list-style-type: none"> <li>a. the complaint stage;</li> <li>b. the complaint definition;</li> <li>c. the decision on the complaint;</li> <li>d. the reasons for any decisions made;</li> <li>e. the details of any remedy offered to put things right;</li> <li>f. details of any outstanding actions; and</li> <li>g. details of how to escalate the matter to the relevant Ombudsman Service if the individual remains dissatisfied.</li> </ul>			

6.22	If a complaint is upheld at stage 1, and the stage 2 response agrees with those findings, we record the complaint as upheld. This is the case even if the stage 2 response finds no fault in the way the stage 1 complaint was handled.			
Further stages				
6.24	Our complaint process has no more than two stages.			
6.25	Complaints handled by third parties on our behalf (e.g contractors) follow the two stage process set out in the code. Individuals are not expected to go through two complaints processes.			
6.26	We ensure that any third parties handle complaints in line with the Code			

## Section 7 - Putting things right

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
7.1	Where something has gone wrong we acknowledge this and set out the actions we have already taken, or intend to take, to put things right.			
7.2	Remedies offered reflect the impact on the individual as a result of any fault identified.			
7.3	Remedies offered clearly set out what will happen and by when, in agreement with the individual where appropriate. Any remedy proposed is followed through to completion.			
7.4	Remedies take account of the guidance on remedies issued by the relevant Ombudsman when deciding on appropriate remedies.			



Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
8.1	<p>We produce an annual complaints performance and service improvement report for scrutiny and challenge, which include:</p> <ul style="list-style-type: none"> <li>a) the annual self-assessment against this Code to ensure their complaint handling policy remains in line with its requirements.</li> <li>b) a qualitative and quantitative analysis of the organisation's complaint handling performance. This must also include a summary of the types of complaints the organisation has refused to accept;</li> <li>c) any findings of non-compliance with this Code;</li> <li>d) the service improvements made as a result of the learning from complaints;</li> <li>e) any annual report about the organisation's performance</li> </ul>			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
	<p>from the relevant Ombudsman; and</p> <p>f) any other relevant reports or publications produced by the relevant Ombudsman in relation to the work of the organisation.</p>			
8.2	<p>Our annual complaints performance and service improvement report is reported to our governing body (or equivalent) and published to residents.</p> <p>The governing body's response to the report is published alongside this</p>			

### Section 8 - Self-assessment, reporting and compliance

## Section 9 – Scrutiny & oversight: Continuous learning and improvement

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
9.1	We look beyond the circumstances of the individual complaint and consider whether any service improvements should be made as a result of any learning.			
9.2	We use complaints as a source of intelligence to identify issues and introduce positive changes in service delivery.			
9.3	We report back on wider learning and improvements from complaints in an annual report and more frequently to other stakeholders, such as individuals, staff and relevant committees or panels.			
9.4	A suitably senior executive oversees our complaint handling performance. They assess any themes or trends to identify potential systemic issues, serious risks or policies and procedures that require revision.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
9.5	A member of the governing body (or equivalent) has been appointed to have lead responsibility for complaints to support a positive complaint handling culture.			
9.6	The appointed person ensures the governing body (or equivalent) receives regular information on complaints that provides insight on the organisation's complaint handling performance. This person has access to suitable information and staff to perform this role and report on their findings.			
9.7	Our governing body (or equivalent) receives the information required under this section of the Code.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
9.8	<p>We have a standard objective in relation to complaint handling for all employees that reflects the need to:</p> <ul style="list-style-type: none"> <li>• have a collaborative and co-operative approach towards resolving complaints, working with colleagues across teams and departments;</li> <li>• take collective responsibility for any shortfalls identified through complaints rather than blaming others; and</li> <li>• act within the professional standards for engaging with complaints as set by any relevant professional body.</li> </ul>			

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# Local Government and Social Care Ombudsman Code Consultation

## Draft response Shropshire Council

Response deadline: 23 November 2023

1. **The joint Code aims to provide a national standard for councils to work to, helping to clarify requirements, simplifying internal processes, and giving assurances to the public and local Members about how complaints must be handled. Does it achieve this? Yes/No (opportunity for comments)**

It is the view of Shropshire Council that whilst the standards set out in the Code provide clear expectations and may have positive benefits for members of the public and local Members, it does not necessarily simplify internal processes because the Council already has complaints processes that have been streamlined as a result of service reviews over recent years. We do though understand that this may not be true for other Local Authorities where additional stages have been added to the complaints process or where there are different ways of working across service areas and no centralised complaints function.

However, there are additional expectations included in the Code, which rather than simplify, will add additional administrative burdens for Shropshire Council. These include:

- Increasing complaint numbers by promoting the option of complaining in all Council surveys.
- Setting a 10 day response timescale (Shropshire Council's stage 1 response timescale is currently 30 working days). This will re-direct resources from pressing front-line services into responding to complaints and may reduce complaint response quality.
- Taking every expression of dissatisfaction as a complaint. We find many members of the public will express dissatisfaction on their first contact with the Council, when all they really intended was to raise a request for a service. We may also decide to process feedback as a comment or refer into another process e.g. an information request, insurance claim, or appeal, if we believe that is the most appropriate way to resolve an enquiry.
- Once a complaint response has been issued new elements will have to be taken as a new complaint (complainants commonly try to add to complaints over time as the issues they raise are addressed, and take a new slant in order to try to achieve their desired outcome in a different way).
- Working to try and assess all complainants needs and protected characteristics and applying reasonable adjustments (this is in place for social care where information is available about a complainant's circumstances, but to apply this across all corporate complaints is a significant additional requirement/function). It is very difficult to determine an individual's needs and vulnerabilities through a corporate complaint about universal services such as a highways issue and staff would require significant additional training to do this.
- Taking social media comments as formal complaints (these are often very difficult to interpret with limited information).
- Additional requirements around remedies. Although the Council works to try and remedy a legitimate complaint through action and working with the complainant, a wider approach to remedies (such as paying time and trouble) is challenging without additional budget and resources. The power to award payments in situations of maladministration is currently vested in a single officer (the Monitoring Officer) and if the number of requests became significant it would be quite impossible for them to address.
- We currently expect each service to take responsibility for complaint actions. Tracking all actions from complaints across the whole organisation will require new IT system requirements and additional staff resource. We anticipate that the Code will increase complaint numbers leading to significant additional work in this area.
- There will be considerable work required to ensure all third-party providers are working in line with the new Code. This will require a review of all contract arrangements.

Shropshire Council has a significant budget deficit, in the same way as other local authorities, and finding the resources to reduce complaint response timescales and expand the complaints function will be very challenging when the priority should be focusing on front-line services to minimise complaints arising in the first place.

2. **The joint Code sets out clear expectations for the level of staffing, oversight and governance for councils to have a good complaint handling service.** Do you agree? ~~Yes~~/No (opportunity for comments)

The oversight and governance expectations are clear, but we disagree that there is any clear expectation in terms of staffing levels. The role of the Complaints Officer (Complaints Manager) and the expectation at stage 2 are clearly explained but it is likely that the approaches taken through the Code will significantly increase the numbers of complaints the Council is required to handle and the amount of work involved in case managing each complaint. Over recent years the Council has seen a change in the profile of those making complaints, with the impact of wider environmental factors such as the COVID pandemic and the cost of living crisis contributing to more people who are persisting with their complaints regardless of the response they receive and any evidence of injustice being found. Therefore, the level of staffing required is unknown and will take some time to determine. Current staffing levels will be insufficient to meet the increased expectations set out. The Code's requirements mean that the current posts may need to be reviewed.

In addition to the staffing levels required centrally to administer complaints processes, Shropshire Council has significant concerns about the increasing pressure on service specialists across the organisation. There are large numbers of 'single service specialists'. When these individuals are unavailable due to leave, sickness or other priority work, complaint responses can be delayed. This issue also makes the shorter recommended timescales for complaint responses very challenging to achieve.

The reporting and oversight expectations are clear, and Shropshire Council feels able to implement the reporting and lead Member roles (reporting into the Governing Body). Shropshire Council's current way of working is not significantly out of line with the expectations and it will be straightforward to integrate the self-assessment into existing reporting.

3. **The joint Code encourages councils to have a learning culture and improve their complaint handling service.** Will it support your council to achieve this? ~~Yes~~/No (opportunity for comments)

We try to encourage a learning culture currently, but the Code will further emphasise the importance of this approach and provide something to refer to when needed. However, there is a gap between the desire to learn and improve and the ability to allocate staff and resources to deliver improvement. As you are aware, local authority teams and services across the country are extremely stretched and finding it difficult to cover core requirements at a time of increasing public needs. Identified improvements and actions cannot always be delivered in shorter timescales and need to be integrated into service plans.

Guidance in this area would be appreciated to understand whether the current approach taken is in line with expectations or whether more granular reporting of learning and actions is required, and how this will be understood and evaluated by the Ombudsman and/or by OfLOG.

4. **We believe the joint Code provides a clear definition of what constitutes a complaint and what should be classed as an upheld complaint.** Do you agree? ~~Yes~~/No (opportunity for comments)

The webinar on the Code highlighted that there is some confusion in this area. There are a considerable number of appeals processes and other processes that may be used to highlight



dissatisfaction and work towards remedial action. The complaints process is not always the most appropriate course of action to achieve the outcome the customer requires. A formal complaint investigation is not required in all instances. The Code implies that any expression of dissatisfaction should be a complaint, but also acknowledges that service requests need to be considered separately (many customers requesting a service for the first time can call their request a complaint). There is a need for this to be clarified within the anticipated guidance to ensure a more consistent approach across local authorities and prevent an unnecessary and extreme increase in “complaint” volumes.

Complaints are increasingly complex and multifaceted as the people we serve have more complex needs and access services and support from more than one source. Some complaints can have 20+ different points. We currently offer findings on each element of a complaint with an overall summary finding so we can clearly communicate with the customer. Under the Code, a complaint with 19 not upheld findings and one upheld will be classed as upheld. This is a concern and will skew understanding of where there are real issues to address, and the expectations of those complaining and of the wider public. We anticipate that the code, as it currently stands, will result in many more complaints being upheld, even if there has been no fault in the way the service has been provided. For example, an element of dissatisfaction such as being slow to respond to an email may turn the whole complaint into an upheld case. There are significant concerns with this approach. We also question whether a complainant who had had just one out of twenty aspects of their complaint upheld would consider it to be upheld overall. More guidance on this will be helpful. An unplanned incentive of this could be that Local Authorities may be tempted to split complaints up to provide finding for each element, and this will not necessarily benefit the customer.

5. **The Code encourages organisations to resolve complaints satisfactorily at an early stage and before they come to an Ombudsman.** Do you agree? **Yes/No** (opportunity for comments)

The Code clearly encourages early resolution as a way of minimising the number of complaints progressing through the complaints process to stages 2 and beyond. The Ombudsman’s guidance on remedies is helpful but there are significant challenges in implementing this guidance when local authorities’ budgets are so stretched. Where action can be taken to put someone back in a position they would have been before an error/injustice using practical steps such as service support, delivery of an action etc. this feels achievable. Where payments are required as a symbolic gesture or for time and trouble, the budgets are not readily available. Where cases progress through the process and there is a finding of fault by the Ombudsman it is clear that a financial award is required, but where a complaint is being considered at stage 1 by a manager responsible for that service, it is an incredibly difficult decision to propose an award for a complainant knowing that may well impact on the budget available to deliver a service to another customer. Currently the power to make payments in situations of maladministration under Section 92 of the Local Government Act 2000 is reserved to the Monitoring Officer. This is deliberate so as to avoid more junior members of staff feeling pressurised to make payments in circumstances where, for example, a councillor is involved. It may well be impracticable for the Monitoring Officer to approve such payments in cases of maladministration.

There is also a risk that local authorities will take very different approaches and inconsistency will occur. To achieve consistency, it would be better if there were set costs calculations and approaches that could be applied. It is accepted that each case is different and standard approaches are challenging to achieve, but without them there is a risk of unfairly discriminating against local authorities with budget challenges (local authorities that can afford payments will see fewer stage 2 and Ombudsman cases).

6. **We will provide further guidance on how the Code should be used by councils. What guidance would you find useful when implementing the Code within your council?** (free text option)

Additional guidance will be helpful in the following areas:

- Guidance for Stage 2 reviews will be helpful. The Code suggests that new elements of complaint should be considered as part of the stage 2 review. However, a service area response is needed before a complaint may be reviewed. The independent officer reviewing the complaint has no jurisdiction/delegated authority over service areas and the allocation of their resources or approach to action-based remedies.
- Working with third-party providers. We accept that the Ombudsman offers some information within its Link Officer guidance but this is fairly high level and does not reflect the more detailed work that is required to achieve a consistent approach within local authorities working with high numbers of external providers across vastly different types of service provision.
- Working to try and assess all complainants' needs and protected characteristics and applying reasonable adjustments (to apply this across all corporate complaints is a significant additional requirement/function). It is very difficult to determine an individual's needs and vulnerabilities through a corporate complaint such as a highways issue. It will be important to understand the level of work that is expected. There are rapidly increasing numbers of long-term complainants who are vulnerable with high levels of needs. Many have poor mental health or behavioural and other health needs that require a level of support complaints officers are not trained or equipped to deal with. Many fall below the thresholds required to receive social care support. Complainants often threaten to harm themselves or others and it is essential that the Ombudsman understands that, however effectively a local authority works to provide complaint responses, these customers will still return frequently with new issues of perceived dissatisfaction.
- With that in mind we would also welcome more guidance on when it is legitimate for a Council to classify an individual as vexatious. It is increasingly common for staff to be subject to quite extreme and abusive communications, something we know the Ombudsman states it will not tolerate for its own staff.
- As mentioned above, there is a risk that without more detailed guidance on remedies the approaches local authorities take will be driven by available budgets, leading to an inconsistent approach and one which disadvantages, those with fewer resources.
- More guidance on the local authority functions and processes that can be considered to fall outside of the complaints process will be beneficial. For example, due to changes in national policy we see more and more people try to complain rather than use the planning appeals/enforcement processes.
- It would be helpful to have more guidance on the expectations around learning and actions. This can be delivered and reported very differently.

**7. Do you have any other comments you would like to make about the LGSCO's intention to introduce this statutory Code, including the decision to do this jointly with the Housing Ombudsman? (free text option)**

We are aware of the LGA's concerns around whether the LGSCO has the statutory power to enforce the Code. Whether the Code becomes statutory or good practice guidance, it sets a level of public expectation that is high, and out of line with the resources local authorities currently have. We wish to apply high standards but there are limits to what can be achieved. We are aware that we can't deliver everything we would like to, and the public reporting of failures does not address the underlying issues. It serves to increase the feeling of public dissatisfaction and therefore lead to even more complaints and the need to invest time in complaints handling rather than direct front-line service provision.