

## CHURCH STRETTON TOWN COUNCIL

MEETING TO BE HELD ON 13<sup>TH</sup> DECEMBER 2016

### 'AT RISK' SERVICES REPORT – BUDGET DEMANDS 2017/18

#### 1. STRATEGIC CONTEXT

The Town Council recognises that the future resilience and well-being of the town is now at greater risk than it has been for a long time, reflecting a number of strategic national and local factors, including:-

- The most recent Autumn Statement confirmed that the government remains committed to continuing reductions in funding for local authorities.
- The referendum outcome also makes for an uncertain economic future. This may have a particular impact on a low wage rural economy, affecting the capacity of residents with low or fixed incomes to pay ever increasing local council taxes.
- At the same time, they are considering the extension of the 2% cap on Council Tax increases beyond principal authorities to some, or all, town and parish councils. Church Stretton already has the highest local precept in Shropshire costing £160 for a band D property, four times that of Shrewsbury, and eight times higher than surrounding local parishes.
- Shropshire Council is continuing to progressively withdraw funding for non mandatory local services, especially in smaller towns.
- At a national and local level, NHS and social care services (particularly relevant to the demographic profile of Church Stretton) are in serious financial difficulty. Increasing levels of disability and incapacity have significant implications for local services.
- The lack of genuinely affordable housing, especially for younger generations, further reduces the demographic resilience of our community

#### 2. LOCAL CONTEXT

It is difficult to predict, with any accuracy, what funding may be required to support 'at risk' services under threat of reductions or closure by Shropshire Council. The long term future of a number of services (the library and leisure centre included) will ultimately be decided by strategies that are not yet finalised, and could take up to 12 months to conclude (these timelines may be affected by the May 2017 elections).

In addition to the future of these two key services in the town, a number of other services, currently provided by Shropshire Council, may fall into the category of 'at risk' further down the line. These would include:-

- Approximately one third of the town's street lights, which are the responsibility of Shropshire Council;
- The Preventative Grant funding which provides for some of Mayfair's core services to the town, including the Ring and Ride scheme;
- Shropshire Council currently provides for street cleaning; waste bin emptying on amenity sites, verge maintenance and grass cutting in and around the town. We anticipate likely reductions in specification to verge cutting, street cleaning, and waste bin emptying at the end of the current Ringway contract in 2017/18 financial year. If we wish to maintain the high standards of street cleaning, we would have to consider providing additional financial resources to Shropshire Council, for a higher specification that meets the expectations of local people.
- Cuts are pending in a number of voluntary support agencies working in the town, such as CAB and Age UK, which could impact on the level of health and social care support in the town.
- A knock-on effect from the reduction in resources for youth work in the County that would hit those agencies, like south Shropshire Youth Forum, that rely on small grants to carry out their work.

This is not an exhaustive list, but, hopefully, demonstrates that councillors cannot just consider individual services they might be lobbied about in isolation

Some services have already effectively been cut, including the former Visitor Information Service for the town. The dedicated and staffed service within the library building no longer exists, and the previous funding on offer for alternative provision from Shropshire Council is no longer available. The existing staff team at the library have integrated part of the former Visitor Information offer into the main library setting, in order to provide some level of service for visitors to the town, during the library's reduced opening hours. However, as a town reliant on attracting tourist income, the future resourcing of this service must also be considered alongside other more obvious at risk services.

The Town Council must also plan for future high cost items of repair or re-provision affecting its existing buildings and services. This would include items such as:-

- Partial re-roofing of the Silvester Horne Institute and Institute Cottage
- Total re-wiring of Silvester Horne Institute

Councillors will need to weigh all of these competing factors when determining what funding support is required for individual 'at risk' services as their needs become more evident.

### **3. FUNDING REQUIREMENTS FOR 2017/2018**

#### **a) Library Service**

Our current information from Shropshire Council is that the library service is fully funded (at its current level) for 2017/18. However, as Councillors are aware there is a Right to Challenge exercise underway which, if any Expressions of Interest are validated, will open into a separate procurement process in 2017. This exercise is expected to conclude at the end of 2017 with the selection of a preferred provider to run the service going forwards. It would be useful to that exercise for councillors to indicate what level of funding they are prepared to commit (if any) to the running of that service. It is suggested that councillors should first consider whether they wish to underpin this decision by considering whether they would wish to re-affirm the commitment to supporting a sustainable local Library Service.

If that is the case, councillors are asked to consider the level of funding they would wish to commit to the library service for 2018/19 and beyond. We are currently aware of two very different proposals:-

#### **i) Church Stretton Library Support Group**

Current Business Plan is based on creating a new Charitable Incorporated Organisation to run the library on its existing hours (32.5) in the current location. The Town Council would be invited to have representation on its Board. Their stated preference is for the Town Council to employ the 2 \*staff under TUPE arrangements. This would cost £26,400 in 2018/19 rising to £26,665 in 2019/20 and increasing annually by at least 1%. Their Business Plan assumes transfer of the existing building on a peppercorn lease, and all other revenue costs being met from fundraising activities and use of volunteers.

(505 words)

#### **ii) Church Stretton School**

Proposal is based on creation of a new library space within the school which requires £170k - £178k +VAT capital funding. A bid has been made to the Education Funding Agency for this, but if it fails, the school are looking to the Town Council to provide an annual amount for a fixed term which could be used to repay a loan. School Business Plan is based on a 45 hour x 6 day per week service. The school will employ the existing library staff, and will provide all other revenue costs for

the service annually. The Town council would be offered representation on an Advisory Committee (480 words)

**\*NB:** We are informed by Shropshire Council that it is possible that more of the existing team of 5 staff at the library will fall under the scope of TUPE at the point the transfer of service takes place owing to the amount of service they have accrued.

Councillors should also be aware that Shropshire Council's current position is that they may provide some ongoing core funding for the library service, subject to the outcome of the yet to be written Library Strategy, but this is unlikely to be determined for some months..

#### b) Leisure Centre

It is highly likely that interim funding will be required for the 2017/18 financial year for the Leisure Centre/Swimming Pool. The shortfall is estimated to be approximately £53k, but should be mitigated by a decision Teme Leisure have yet to make about how much they are willing to commit from their own reserves. However, no formal request has been made for interim funding at this point.

The position on the longer term future of the swimming pool is still unclear, with a re-draft of the Facilities Strategy now agreed as the way forward. This is likely to move towards a model providing a 'core offer' for centres across the county, tiered according to a number of strategic factors, but this is not an approach that has been formally agreed at this stage.

#### 4. SUMMARY

The viability of both library proposals rests on funding support from the Town Council. The level of that funding is a matter for debate by councillors, but should reflect an apparent willingness evidenced by the recent Community Survey to pay extra to retain the library service.

At the moment, there is £15k recurring funding available in the 'At Risk' services budget, created from a savings exercise. Any increase to that amount would require a rise in precept levels. A table is included below to show the effect of stepped increases on a Band D property.

Council tax rise for every £1k spent	Effect of £5k increase	Effect of £10k increase	Effect of £15k increase
£0.47p	£2.35	£4.70	£7.05

NB: These figures are based on 2016/17 council tax base as the figures for 2017/18 are not yet known

No formal request has been made for interim funding of the Leisure Centre for 2017/18. A figure of £41k non-recurring funding is available in the 'At Risk' budget, which could potentially be utilised, if such a request is made and councillors wish to support it.

Councillors may take the view, subject to their determinations in respect of the library and Leisure Centre, that they also wish to precept an additional amount for the 'At Risk' Services budget in the knowledge that further substantial rises may be more difficult in the future, and that some contingency funding may be required for the Leisure Centre in 2017/18. Councillors are reminded that the precept rise in 2016/17 was 14% and this level of increase year on year is not sustainable.

Formal proposals are therefore as follows:-

#### 4.1) The Council reaffirms its commitment to supporting a sustainable local library service

4.2) In line with that commitment, the Town Council is minded to allocate a maximum sum of £26,700 for the library service from 2018/19 financial year onwards, from the At Risk Services Budget

4.3) The Town Council further recommends that a sum of £10k be added in to the 'At Risk' Services budget for 2017/18 as a contingency for other 'at risk' services.