

Council – 22 February 2017

Public questions and answers:

1. From Bryan Rylands to Councillor David Monk, Leader of the Council

Please could SDC provide me with the total sum of any pension deficit they may have and an explanation of how this has come about.

ANSWER (RESPONSE FROM COUNCILLOR MISS CAREY):

To put this answer in context it should be noted that the Local Government Pension Scheme is one of the very few public sector pension schemes which actually has funds set aside to meet liabilities. So pensions for workers in the NHS, teachers or uniformed police or fire service employees could be said to be 100% in deficit as they rely on day to day taxation to meet ongoing and future commitments.

Shepway employees are part of the Superannuation Fund run by Kent County Council. Independent actuaries assess whether the fund can meet its liabilities both now and in the future and a formal assessment is made every three years and contributions by employers are raised if there is a shortfall. The Kent fund was assessed at 31 March 2013 as having a funding level of 83%. It is the actuary's duty to set the level of employer contributions to see that the fund can meet its present and future liabilities. This is done by calculating life expectancy and assessing the performance of the investments. The fund has to pay present pensioners but those who are still below pensionable age do not yet receive their pensions and the fund has the chance to grow in time to meet this future liability.

The total deficit for the Kent Pension Fund at 31 March 2016 was £546.6m; reducing from £784.1m at the last revaluation in 2013 against total assets of £4.6 billion. The latest news we have is that the actuary has said that employers contributions to the fund should remain at 20% of salary with any employer in the fund with a shortfall required to pay more.

Shepway's share of the pension fund deficit has reduced from £26.1m to 23.6m and I am pleased to report that the actuary has confirmed our contribution stays at 20% which is reflected in to the budget proposals before us tonight.

The Local Government Pension scheme is a defined benefit scheme an excellent benefit for employees providing real security for retirement. Such pensions used to be widespread but in 1997 Gordon Brown removed Advanced Corporation Tax relief for pension funds which fundamentally undermined all pension savings by reducing both the tax benefit to pension savings and the amount invested on behalf of pension funds. This hit the stock market and reduced the long term investment returns that pension funds rely on to grow their assets and meet their liabilities. The Kent Pension Fund

suffered from this too but returns have been much better in recent years and are ahead of the benchmark set by the actuary.

The other factor that creates pension deficits is that everyone is living much longer so the liabilities are continuing to be revised upwards.

So in conclusion the Shepway pension deficit is £23.6m. The reason for the deficit is that this is a defined contribution scheme and the actuary has calculated the gap between what is in the fund at present and what it will need to meet future liabilities. The actuary has also confirmed that Shepway's current level of payments to the Pension Fund can stay at their present levels.

SUPPLEMENTARY QUESTION:

Within the Kent Pension Scheme, would Shepway District Council consider having an ethical policy, selecting investment based upon ethical grounds, for example fossil fuels, climate change, etc?

ANSWER:

The first obligation of the Superannuation scheme is to its beneficiaries, and it will not 'play politics'.

2. From Graham Corr to Councillor David Monk, Leader of the Council

Are Investors in Private Capital Ltd the guarantors for Cozumel estates, who have a collaboration agreement with SDC?

ANSWER

Yes, Investors in Private Capital Ltd is the UK based guarantor for Cozumel estates, which has a collaboration agreement with SDC.

3. From Christopher Deane to Councillor David Monk, Leader of the Council

In the light of almost daily reports on the crisis in our cash strapped hospitals, and the particular problem of 'bed blocking' brought about by cuts in funding and social care provision for the elderly at a local level, will Shepway District Council be lobbying for the maximum permissible increase Council Tax in order to facilitate the best possible local provision.

ANSWER:

Council Tax helps pay for local services, and applies to all domestic properties whether owned or rented. Each organisation that provides services in the district sets their own proportion of the Council Tax bill you receive.

These are:

- Kent County Council

- Shepway District Council (SDC)
- your Town or Parish council (if you have one)
- Kent Police
- Kent Fire and Rescue Service

Kent County Council (KCC) has the statutory responsibility for adult social care, rather than the district Council. Therefore, KCC sets the portion of your overall Council Tax bill, which relates to their services. In 2017/18, the Government allowed social services authorities (KCC in our area) to include a further increase totalling 6% over the next 3 years to fund extra spending on adult social care. This is written on your bill as "precept to fund adult social care". Therefore, it is KCC, rather than SDC, who will be lobbying for the maximum permissible increase in their proportion of Council Tax payable in order to facilitate the best possible local provision for adult social care.

SUPPLEMENTARY QUESTION:

How could the public be assured that funds set aside as new funding will not be offset against existing expenditure?

ANSWER:

The Government carried out regular audits of local authority expenditure.

4. From Aaron Roche to Councillor Alan Ewart-James, Cabinet Member for Housing

"Could the Council please detail the exact criteria and methods of assessment for the triggering of the Severe Weather Emergency Protocol (SWEP) and whether there are any instances where these criteria have been met but SWEP not implemented in time this year?"

ANSWER

SWEP is a process that is put in place to ensure that people sleeping rough are not at risk of harm or, in the worst case, of dying during periods of extreme cold and severe weather. The purpose is to provide shelter for rough sleepers who under normal circumstances would not be owed a statutory duty under Part VII of the Housing Act 1996, or who would not normally engage with services.

The purpose of SWEP is to ensure that a place of warmth and safety is available, during severe weather conditions, for people sleeping rough and who are not normally eligible for statutory services. There is no strict definition of what counts as 'severe weather'. The understanding is that local authorities should proactively identify any weather that could increase the risk of serious harm to people sleeping rough and put measures in place to minimise this. This includes extreme cold, wind and rain. It is important not to presume when, or in what form, severe weather will occur. It is seen to be more about a

common sense approach to put in place procedures to protect rough sleepers in all types of 'severe weather'.

SWEP applies to anyone identified as sleeping rough on the streets during the period that it is in operation. The criteria that must be met in order for a rough sleeper to qualify for assistance through SWEP are:

- They must be at risk if they continue to sleep rough during the course of the severe weather.
- They must have nowhere available to them to sleep indoors during the course of the severe weather (indoors does not include cars, sheds or garages).
- They must agree to assistance.
- They do not need to have an entitlement to public funds.

SWEP arrangements will be triggered when the night time temperature is predicted to be zero degrees celsius or below for three consecutive nights. Consideration will be given to implementing SWEP when exceptionally cold or inclement weather is forecast that falls short of this definition.

The Housing Options team will ensure that every effort is made to engage with individuals accommodated during the extreme cold weather period so they do not return to the streets this will include working with our partner agencies and voluntary organisations.

Once activated the SWEP provision will be provided for a minimum of a three-day period even if temperatures rise before this point. This will allow the Housing Options team (and other agencies) time to work with the individual to find a more lasting solution.

This year, there have been no instances where the criteria have been met, but the SWEP not implemented. Where the criteria has been met, the SWEP has always been implemented in time.

5. From Nick Southgate to Councillor Alan Ewart-James, Cabinet Member for Housing

“Can the council clarify its position on both social and affordable housing? In particular, how many proposed new-build homes will be utilised for social housing and how much would a first-time buyer need to be earning, assuming they have a 10% deposit, to purchase a new-build 'affordable home'?”

ANSWER

Under the council's affordable housing policies, the council works to ensure, that subject to viability, 30% of new homes on sites of 15 units or more are delivered for affordable housing, with 60% of these being provided for affordable rent and 40% for shared ownership. The majority of the shared

ownership homes sold in the district are sold at shares as low 25% -50% of market value. This significantly reduces the amount of the deposit that purchasers have to provide and means that households with incomes as low as £20,000 to £25,000 are able to access home ownership through shared ownership.

Over the next 12 months the council and its affordable housing partners will deliver at least 80 additional homes for rent and shared ownership in the district. The council itself will have 41 homes onsite and under construction in Military Road and Roman Way by the end of March this year.

SUPPLEMENTARY QUESTION:

Based on average earnings in Kent in 2016, those working in the Shepway District earned £85 per week less than those working in Ashford. Is a need for social housing of greater importance?

ANSWER:

This question has already been answered in the response to the original question.