



Date: Monday, 9 September 2024

Time: 10.00 am

Venue: Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND

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TRANSFORMATION AND IMPROVEMENT OVERVIEW AND SCRUTINY COMMITTEE

CORRECTED REPORT (S)

6 Financial Monitoring Report Quarter 1 2024/25 (Pages 1 - 46)

To scrutinise financial performance at Quarter 1 and identify issues that may require further investigation by an overview and scrutiny committee.

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	Committee and Date Transformation & Improvement Scrutiny 9 th September 2024 Cabinet 11 th September 2024	Item
		Public






Financial Monitoring Report Quarter 1 2024/25

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Cabinet Member (Portfolio Holder):	Cllr Gwilym Butler, Finance, Corporate Resources and Communities		

1. Synopsis

The Council continues to address significant financial pressures but it is possible to secure a balanced position by year end. Clear management action planned for the remainder of the year can prevent financial crisis, however, by tackling the risks identified in this report.

2. Executive Summary

- 2.1. This report provides a detailed review of the Council's financial position as at the 30 June 2024. It covers the period from 1 April to 30 June and follows published reports for period 1 (April) and period 2 (April to May). It is the first quarterly report of the year and is presented in the same format as quarterly report for previous years with more information than monthly reports. Later reports in the current year will follow for subsequent quarters, supplemented by interim monthly reports.
- 2.2. The report shows that the Council continues to face significant financial pressures. The central forecast indicates anticipated expenditure £38.5m over budget by the end of the year, based on latest information. Considering that the forecast was made as at 30 June, and that 9 clear months of the year remain, it is inevitable that many parts of the forecast are estimates which are subject to change. If a 'favourable' and an 'adverse' scenario are considered, in which reasonable overlays to the central forecast are considered, in which either estimates are

somewhat pessimistic, or are somewhat optimistic, a range outside the central forecast can be identified. This is shown in the table below, and further information is shown at paragraph 8.3.

Table 1 - Forecast as at 30 June showing the central forecast and other possible scenarios.

Scenario	Potential variation to budget
Favourable	£25.50m
Central	£38.50m
Adverse	£73.75m

- 2.3. The range of outcomes indicates that the Council continues to face considerable pressures which could easily disrupt current work to manage financial pressures. Conversely, the scope under current planning assumptions for the overall position to improve is limited (based on this analysis and factors known at the present time). The range of outcomes is regularly reviewed and could change as the year progresses – for better or worse – but the basic assumption, without further intervention, is that the range will narrow as the financial year progresses.
- 2.4. The General Fund Balance is currently £38.8m, i.e. more than our central forecast variation. Based on current projections, the authority is, therefore, not in a position that indicates that the financial position, overall, is out of balance (which is unlawful). It remains clear, however, that several risks remain to be mitigated to secure and improve that overall position and thereby confirm financial security for this financial year.

3. Recommendations

Transformation & Improvement Scrutiny Committee

- 3.1 It is recommended that Transformation & Improvement Scrutiny Committee Members
- discuss the position set out in the report which is a central forecast of £38.5m over budget in a range of between £25.5m (favourable scenario) and £74m (adverse scenario) over budget,
 - consider the risks arising including the impact on the financial sustainability of the Council
 - provide comments to Cabinet on mitigating actions that might be considered, noting the arrangements being put into place to secure tighter control over all aspects of spending (see also appendix I)

Cabinet

- 3.2 It is recommended that Cabinet Members:
- Directs the Chief Executive to lead all Officers in urgently taking the necessary actions to improve the Quarter 1 forecast** of a projected spend over budget of £38.5m (30th June 2024), by year end, predominantly focussing on remaining savings or mitigating actions to be delivered in 2024/25.
 - Discuss the impact of the projected expenditure forecast on the General Fund Balance and note the risk of further service pressures (savings required) in next year if financial performance in the current year is not improved.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. A more regular review of the emerging financial position for the year is an essential part of the risk management approach of the council during the coming year. The level of savings delivery and financial pressures in the current year are a recognised risk for the 2024/25 budget, and continued focus and action are being put in place to address this.

4.2. Risk table

Table 2 - summary of risks and mitigations

<i>Risk</i>	<i>Mitigation</i>
<p>Savings delivery is below the targeted level; mitigations to unachieved savings are not secured at reasonable levels.</p> <p>Savings of £62.5m were agreed for the 2024/25 budget. Another area of cost reduction or avoidance includes demand management activity in social care, targeting £6.7m, and confirmation of savings secured in 2023/24 but only one-off (pending decisions taken through a wider workforce review).</p>	<p>Savings delivery is divided into two main areas of activity – service-led activity or organisational-wide initiatives – each with different approaches.</p> <p>Organisational savings are subject to support from the Council's strategic partner (PwC) with further, deeper, initiatives proposed to mitigate shortfalls.</p> <p>Some areas of savings proposed by service leads have not yet been wholly achieved (or mitigated). Action must be taken in these areas to secure the savings as planned, or to mitigate unachieved savings through other measures.</p>
<p>That management actions required to bring the budget into balance do not yield the results being targeted, leading to a larger pressure on the general fund balance.</p>	<p>To deepen engagement and action planning through Directorate Management and Chief Officer teams.</p> <p>This includes visibility and closer scrutiny of all spending decisions in both pay and non-pay areas.</p>
<p>Insufficient reserves to cover projected overspending or other deficits</p>	<p>Improved budget preparation process with more analysis of current and future activity trends. 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>

That targeted benefits from Re-sizing work are not realised in full	<p>Dedicated resources are being applied to ensuring that the decisions arising from the Resizing work are enacted in a timely way.</p> <p>All ongoing staffing decisions are being discussed weekly by Directorate Leadership Teams, aligned to decisions taken around resizing. Work to remove funded vacant posts is progressing rapidly, and further options to reduce the workforce have been considered with opportunities being identified. The report includes reference to some of these, but the list is limited as there are important processes which must be observed to protect and support the staff who may be affected.</p>
That targeted benefits from reducing supply chain spending are not realised in full	<p>Dedicated resources are being applied to ensuring that identified opportunities to reduce supply chain spending is checked and challenged.</p> <p>All spending decisions will be discussed weekly by Directorate Leadership Teams from September.</p> <p>Current forecasts indicate that the total level of expenditure in the year is expected to be in excess of £700m. Of this, c£430m is 'third party' or supply chain spending, much of which can be reviewed and slowed or stopped temporarily. Of this £430m, c£60m has been spent to the end of June, meaning that c£370m is currently anticipated to be spent to the end of the year (about £41m per month). Action is required to reduce month-by-month spend by 2%-5% to secure an improved financial position.</p>
Other unbudgeted risks arise before the end of the financial year	<p>The general fund balance is reviewed as part of setting the budget each year and compared with known areas of local risks (such as the pay settlement for staff, supply chain inflation, resident need for different services). The assessment at the start of the year indicated that the balance at 1 April would be sufficient to cover a range of risks. The current forecast indicates that additional currently unknown risks may create additional pressure which could not be sustained. The action on reducing third party spending will create additional resilience by ensuring that there is sufficient 'headroom' in the Council's finances to absorb unanticipated shocks.</p>

- 4.3. The key opportunity is that the reporting period is to the end of June and this report will be considered in early September by Cabinet. There is therefore time left to take necessary action to secure an improved financial position with continued focus and action are being put in place to address this in the second half of the financial year.

Table 3 - analysis of the 3 forecast scenarios with commentary (NB - table with risk factors 1-4 has been amended from initially published version)

factor	MTFS assumption	P3 Fav		Central		Adv	
1. Savings delivery	Budget and MTFS assume 100% delivery of all savings each year on a recurrent basis. Target for 2024/25 is £62.5m, plus £6.7m demand mgt, plus £20.7m found in 23/24 but only on a one-off basis - these are different amounts arising separately, but aggregate to £90m. This indicator considers performance against delivery of the £90m.	19.2	tracker reds @ 30 June are £41m. This excludes the impact of EMT moderation of service reviews with an estimated PYE of £5.5m. Assumed further delivery on third party spend of £15m. Areas of underdelivery include service led savings in Place and Resources, as well as organisation-wide savings. IT is assumed that the pressure in Children's (below, 3) is unaddressed.	32.2	tracker reds @ 30 June are £41m. This excludes the impact of EMT moderation of service reviews with an estimated PYE of £5.5m. Assumed further delivery on third party spend of £10m. Areas of underdelivery include service led savings in Place and Resources, as well as organisation-wide savings. IT is assumed that the pressure in Children's (below, 3) is unaddressed.	38.25	tracker reds @ 30 June are £41m. This excludes the impact of EMT moderation of service reviews with an estimated PYE of £5.5m. Assumed underdelivery on resizing £5.5m of 50%, and no further delivery on third party spend. Areas of underdelivery include service led savings in Place and Resources, as well as organisation-wide savings.
2. Social care demand pressure beyond budget estimates	Demand reduction measures assumed to support delivery within budget. Excess demand beyond that will impact overall financial performance.	6.3	Current pressure in social care codes. Measure are required to bring this pressure in line with budgets.	6.3	P3 Children's safeguarding forecast spend over budget of £6.3m. Other variances of less than £1m amount to £5.8m. The central case assumes that the Children's position is unchanged, but that other variances are mitigated in full.	12.6	Net pressure in social care codes assumed to double by year end.
3. Other unbudgeted pressures	The budget assumes all material considerations are included in the estimates. Other pressures outside those estimates are not included, hence the provision of a general fund balance (although other Councils include a revenue contingency budget).		No material pressures identified beyond savings and social care.		No material pressures identified beyond savings and social care.		No material pressures identified beyond savings and social care.
4. Capital receipts sufficiency	Capital receipts are generated at a level that, when added to 'in-hand' and 'de-committed' amounts, will cover VR costs plus transformation costs (capitalised). Gap at year start identified as £33m.	0	Plans being prepared for £15m+ capital receipts in-year. Assumes no delivery risk.	0	Plans being prepared for £15m+ capital receipts in-year. Some delivery risk.	18.50	Plans being prepared for £15m+ capital receipts in-year. Assumes delivery risk.

5. External factors	A number of factors are known to be able to impact the financial position indirectly, but the timing or likelihood of these is unknown at the time of setting the budget. These include regulator reviews (e.g. Ofsted and CQC), geo-political shocks (e.g. conflict or dispute which has impact on food and fuel prices globally, pandemic, etc.) Again, the GFB level is set on the basis of being a fund of last resort in the face of such pressures.	0	Assume no in-year costs arising from CQC or Ofsted.	0	Assume no in-year costs arising from external factors.	4.40	Assumes a financial risk in the remainder of the year (9 months) which will reduce each month.
6. Project risks	No direct or indirect implications are assumed in the budget. Possible risks include the withdrawal of funding for major capital projects which may lead to revenue pressure as 'sunk' costs are written off.		Assumes no in-year costs arising from major capital funding withdrawals or reductions.	0	Assumes no in-year costs arising from major capital funding withdrawals or reductions.		Risk of (unquantified at this point) in-year costs arising from major capital funding withdrawals or reductions.
7. Cash position (Liquidity)	The MTFS assumes that day-to-day liquidity is planned for an maintained. Failure to do this, or a rapid deterioration in the council's financial position may lead to unbudgeted finance costs, and reputational damage as staff and supplier payments are placed in jeopardy.		detailed day-to-day cash forecast in place. Link engaged and advising on externalisation of previous internal borrowing. Clear management with £20--£30m cash buffer.	-	detailed day-to-day cash forecast in place. Link engaged and advising on externalisation of previous internal borrowing. Clear management with £20--£30m cash buffer.		detailed day-to-day cash forecast in place. Link engaged and advising on externalisation of previous internal borrowing. Clear management with £20--£30m cash buffer.
		25.50		38.50		73.75	

5. Financial Implications

- 5.1. Shropshire Council is currently managing an unprecedented financial position as budgeted for with the Medium Term Financial Strategy approved by Council on 29 February 2024 and detailed in our monitoring position presented to Cabinet on a monthly basis. This demonstrates that significant management action is required over the remainder of the financial year to ensure the Council's financial survival. While all Cabinet Reports provide the financial implications of decisions being taken, this may change as officers review the overall financial situation and make decisions aligned to financial survivability. Where non-essential spend is identified within the Council, this will be reduced. This may involve
- scaling down initiatives,
 - changing the scope,
 - delaying implementation, or
 - extending delivery timescales.
- 5.2. This report sets out the financial projections for the Council in the 2024/25 Financial Year as at Quarter 1. A summary of the key elements for managing the Council's budget are detailed elsewhere in this 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. The climate change schemes involving the Council's assets or infrastructure are included within the capital programme. 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. Given that the financial position of the council remains highly challenging, summary budget monitoring reports highlighting the anticipated year end projection are produced monthly for Cabinet, with detailed updates reported quarterly to Cabinet.
- 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 2024/25 – 2028/29 on 29 February 2024 which outlined the revenue and capital budget for 2024/25.

8. Forecast Revenue Outturn Position as at Quarter 1

- 8.1. At Quarter 1 (April 1 – June 30), the Council is reporting a forecast overspend of £38.5m. This forecast is based on the current projections for savings delivery and includes estimated benefits arising from the service review process. These benefits will be quantified and included in the period 4 (Apr-Jul) report.
- 8.2. The position indicated by the current estimated spending to the end of the year would require the full extent of the General Fund Balance to be applied to maintain balance between income and expenditure within the year. This would be a dangerous position if it arose. Urgent intervention is required through all portfolio areas to secure improvements in the position – seeking out and correcting all areas where planned expenditure can be reduced, removed, or deferred. Simply – the current anticipated level of expenditure needs to be significantly reduced, and at great pace.
- 8.3. Officers are actively monitoring progress against seven risk areas that underpin the strategic risk "Inability to Contain overall committed Expenditure within the Current Available Resources within this Financial Year". This is set out within Section 4. This shows how the current forecast of spending exceeding available resources by £38.5m is a central forecast in a range between a more favourable outcome of £25.5m over budget to a more adverse outcome of £74m over budget.
- 8.4. Table 4 below summarises the position by directorate (see also Appendix 1A and 1B), including latest projections on funding. A breakdown of the projected outturn by portfolio holder is detailed in Appendix 1C. These figures are based on the pre-service review process.

Table 4 - Projected Outturn by Directorate

Directorate	Revised Budget (£'000)	Projected Outturn (£'000)	(Under)/ Overspend (£'000)
Health & Wellbeing	349	534	185
People	208,304	225,611	17,306
Place	65,059	79,822	14,763
Resources	3,453	8,083	4,630
Strategic Management Board	614	1,053	438
Service Delivery Budgets	277,779	315,102	37,323
Corporate	(16,082)	(9,398)	6,684
Net Expenditure	261,697	305,704	44,007
Estimated benefit from re-sizing¹		(5,500)	(5,500)
Net Expenditure including delayed information	0	38,507	38,507
Council Tax	(205,104)	(205,104)	0
Business Rates	(41,306)	(41,306)	0
Top Up Grant	(10,925)	(10,925)	0

¹ The forecasting process for the month ended 7 days before the moderation of resizing proposals by Chief Officers. The detail of the planned changes will be included in the P4 report, and an adjustment is shown here to take account of values not yet included in the detailed projections at P3.

Revenue Support Grant	(7,974)	(7,974)	0
Collection Fund (Surplus)/Deficit	3,612	3,612	0
Funding	(361,697)	(261,697)	0
Total	0	38,507	38,507

8.5. The majority of the current forecast overspend can be summarised as:

- Service spending over budget of £44m, as:
 - Savings not yet delivered of £42.4m as detailed in section 10 below.
 - Pressure of £6.3m in relation to external residential placements and fostering allowances in Children's Social Care.
 - Other smaller net favourable variations of £4.7m
- £5.5m of additional savings not included in the values above due to the timing of service review process not aligning to the P3 monitoring process.
- Overall forecast of £38.5m (central case).

8.6. The service review process involved detailed reviews of all posts across the authority and was completed at an operational level by the end of July. Detailed work is now being undertaken to identify vacant posts, posts already identified as part of service led restructures, eternally funded posts, and other variables. Where decisions put staff at risk, full HR policies will be followed. Until this process is completed the impact on budgets will be estimated. At Quarter 1 we estimate that the financial benefit of this work will be approximately £5.5m in-year. We expect to improve the accuracy of this estimate but will not provide detailed estimates until at least Quarter 2.

9. Income

9.1. The revenue budget is funded by £261.7m 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. 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. Savings

10.1. The summary position on savings delivery as at 30 June is that the Council anticipates delivery of 53% of targeted savings for the year. This is shown in tables 5a and 5b below.

10.2. Table 5a shows the analysis of savings targeted in the year based on the origin of the savings. There are three areas of origin. These are:

- **New savings approved in the 2024/25 budget (£62.5m).** These are to be cashable and recurrent to avoid a savings challenge being carried forward to future years.
- **Demand management initiatives approved in the 2024/25 budget (£6.8m).** These represent areas of anticipated demand pressure in social care that

could be addressed, thereby reducing care costs in the year. Adopting sustainable approaches to this will help ensure that budget pressures in future years are minimised or reduced.

- **Savings previously approved in the 2023/24 budget and secured in that year on a one-off (not ongoing) basis (£20.7m)**, and which were therefore required to be delivered in 2024/25. It should be noted that many of these relate to staffing costs – e.g. savings from funded vacant posts, or from staff turnover. These savings were achieved last year though holding posts vacant. The service review process enacted in the current year has provided the necessary ability to review these funded vacant posts and to determine where they can be permanently deleted. Hence, while these savings needed to be ‘re-found’, plans already existed in the majority of cases.

Table 5a - Summary of savings delivery forecast at 30 June, based on origin

Analysis by savings origin	savings target	30 June forecast delivery	30 June forecast delivery
	£m	£m	%
New savings approved for 2024/25 budget	62.5	33.6	54%
Demand management initiatives in the 2024/25 budget	6.8	6.5	96%
Savings brought forward from 2023/24 where they were met on a one-off basis with plans to secure an ongoing budget reduction in 2024/25	20.7	7.5	36%
Total	90.0	47.6	53%

- 10.3. Table 5a shows that the anticipated level of delivery is 53% overall as at 30 June. This compares with 81% secured in the last financial year by the end of the year. Work is in hand to continue to improve on the level of delivery. Demand management initiatives have been largely secured as at 30 June (96% delivery is forecast). New savings approved in the budget for the current year indicates forecast delivery of 54%. Savings brought forward show the lowest level of delivery at 36%. This is explained, in part, by the way that the work on workforce resizing has progressed and not all decisions are yet included in forecasts. Additionally, this area includes several organisation-wide initiatives, which, by their nature, are more challenging to implement. PwC as our transformation partner are playing a key role in supporting delivery in this area, and overall delivery in this area is expected to improve by quarter 2.

Table 5b - Summary of savings delivery forecast at 30 June, based on delivery route

Analysis by delivery route	savings target	30 June forecast delivery	30 June forecast delivery
	£m	£m	%
People	26.5	18.3	69%
Place	23.1	11.4	49%
Resources	4.6	1.4	30%
Health	1.5	0.6	40%
SMB & Corporate	0.5	0.1	20%
Service-led savings	56.2	31.8	57%

Organisation-Wide savings	33.8	15.8	47%
Total	90.0	47.6	53%

- 10.4. Table 5b represents the information shown in table 5a, but this time analysing savings delivery by the delivery route. There are two main delivery routes. These are 'service-led' delivery and 'organisation-wide' delivery.
- 10.5. Service-led savings were proposed by individual service areas as part of the preparation of the 2024/25 budget. Delivery currently ranges from 20% to 69%, with an average level of forecast delivery as at 30 June of 57%.
- 10.6. Organisation-wide savings relate to whole-organisation transformation and resizing. These initiatives were described in the July 2024 Cabinet report on the Council's New Operating Model. These are more complex to design and implement but the current forecast anticipated delivery at 47% against the £33.8m target. Organisation-wide savings were anticipated as a significant challenge during the business planning process for 2024/25. Engagement with PwC as a transformation partner is part of the response to that challenge, as is the creation of the Office of the Chief Executive (OCE).
- 10.7. Considering the overall view of delivery as at 30 June indicates the anticipated level of delivery is 53%. This compares with 81% secured in the last financial year by the end of the year. Work is in hand to continue to improve on the level of delivery. Demand management initiatives have been largely secured as at 30 June (79% delivery is forecast).
- 10.8. Further work is now coming into place to scrutinise supply-chain spending, including strengthening contract management and developing ways to reduce the carbon footprint of the supply chain. This includes a review of contract management approaches across the Council including areas where additional support may be required. Work is in train to provide greater overall visibility of transactions of all values, from the greatest to the least.. Payments will be scrutinised to test necessity, cost minimisation, and to secure overall spending reductions from 1 September 2024.

11. PwC – strategic partner engagement

- 11.1. The Council has been working with PwC over the last 18 months to facilitate the delivery of the savings identified in the budget. The table below sets out the current position relating to the outcomes of that engagement.
- 11.2. The table below shows planned spending in the year of £6,025,000, across 3 key themes – customer, resizing, and third party spending. This is delivering anticipated benefits of £12.7m in-year, a return on investment (ROI) of 2.6 (that is, the cost of the activity recovers 2.6 times the investment before year end).
- 11.3. This further improves into next year, as full year benefits are secured, with these benefits potentially set to almost double, creating an ROI of over 5 (that is, for every £1 spent, £5 of saving is secured).

- 11.4 However, it should be noted that the current activity across the 3 themes will end between October and December 2024 and so, should the Council wish, or require, further support from PwC then this will attract additional costs and so would be subject to subsequent member approval.

Table 6 - costs and benefits of engagement with PwC

Theme	Spent to 30 June	Committed to 31 March*	Estimated benefit in current financial year	ROI (current year)	Estimated benefit in next financial year	ROI (next year)	Commentary
Customer Management	£230,949	£2,771,389	£2m	0.72	£9m	3.25	The delivery of the first phase of activity is nearing completion which will allow actual financial and non-financial benefits to be identified with greater precision. Activity is already underway for the second phase with pace of delivery to increase into Q2.
Resizing and TOM	£614,639	£1,213,194	£9.5m	7.83	£10.8m	8.90	A wide range of activity is already underway with savings identified and being realised through resizing the organisation. Significant additional activity is planned for Q2 and Q3.
Third party spending	£269,338	£835,420	£1.2m	1.44	£5m	5.99	Spend analysis has been undertaken and activity planned. The first phase of activity is almost complete, which will see an increased rigour to monitoring (and reducing) spend while reviewing existing contracts to ensure they are providing optimal value for money.
Subtotal	£1,114,926	£4,820,003*	£12.7m	2.63	£24.8m	5.15	
Potential additional fees based on performance		£1,205,000					
Total		£6,025,000					<i>Estimated ROI is not yet included for the potential total – estimated benefits and potential additional costs are not yet known with confidence.</i>

**These costs relate to fixed fees and milestone-based fees. There is an additional £1,205,000 in outcome-based fees which are payable to PwC if they deliver realisable benefits in the work they are undertaking (i.e. performance-related). The total committed to 31 March 2025 is therefore £6,025,000.*

12. Reserves

12.1. The 2023/24 year ended with a General Fund Balance of £8.237m, which was brought forward into the new year. The 2024/25 budget included a contribution of £30.583m to the General Fund balance. The total on hand in this reserve at the beginning of the year was therefore £38.820m. This was considered a safe level given the profile of financial risks. As the year is progressing, maintenance of our level of GFB appears impossible and it is of great concern that the Council appears to have minimal resilience against any unforeseen variances. This position is under constant review with the aim to forecast a higher retention of GFB before year end. This is shown in the table below, and in Appendix 6.

Table 3: General Fund Balance

General Fund	£'000
Balance as at 1 st April 2024	8,237
Budgeted Contribution in 2024/25	30,583
Budgeted General Fund Balance as at 31st March	38,820
2024/25 estimated spending above budget (as projected at Q1) – Post Service Review	(38,507)
Balance as at 31 March 2025	313

12.2. The current projected overspend would fully deplete the General Fund Reserve and so it is vital that the current projected level of spending is significantly reduced.

13. Capital

13.1. The current capital programme and actual spend is detailed in Table 4 below, including updated projections on financing of the programme. Further detail is provided in Appendix 7.

Table 4: Projected Capital Programme Outturn

Directorate	2024/25 Revised Capital Programme (£'000)	2024/25 Actual Spend (£'000)	2024/25 Actual YTD spend as % of Budgeted YTD Spend	2025/26 Capital Programme (£'000)	2026/27 Capital Programme (£'000)
Health & Wellbeing	-	-	0.00%	-	-
People	12,265	840	6.85%	10,131	5,450
Place	88,033	11,336	12.88%	100,427	37,735
Resources	100	1	1.25%	-	-
Total General Fund	100,398	12,177	12.13%	110,559	43,185
Housing Revenue Account	37,723	2,471	6.55%	13,822	9,000
Total Capital Programme	138,121	14,648	10.61%	124,380	52,185
Financed By:					
Borrowing	(36,753)			(22,630)	(11,034)
Government Grants	(65,348)			(80,055)	(31,205)
Other Grants	(771)			(44)	-
Other Contributions	(10,199)			(7,011)	(500)
Revenue Contributions to Capital	(666)			(747)	(347)
Major Repairs Allowance	(10,041)			(5,000)	(5,000)
Capital Receipts	(14,344)			(8,893)	(4,100)
Total Financing	(138,121)			(124,380)	(52,185)

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

- 13.2. The financing of the current capital programme assumes a level of capital receipts being realised. Capital receipts are a particular class of capital funding which can be used to support revenue costs of transformation, where the link to genuinely transformational changes lasting several years can be demonstrated. 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.
- 13.3. The capital receipt projections for 2024-25 include a significant requirement of £23.097m to fund the Council's transformational activities. This projection includes initial estimates of £11.000m for the Voluntary Redundancy Programme, £6.097m for transformation projects and £6.2m for the Council's Strategic Transformation Partner. The capital receipts requirement of actual voluntary redundancies is being updated on a monthly basis as redundancies actually occur. All of these capital receipts requirement estimates will be refined on an ongoing basis as further details on actual costs are determined.

14. Housing Revenue Account (HRA)

- 14.1. At Quarter 1 (Period 3), the HRA is projecting a minor overspend of £0.4m (1.8% of gross budget) due to estimated increase in revenue costs to finance a planned increase in the capital budget. 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.

15. Dedicated Schools Grant

- 15.1. There was a cumulative DSG deficit of £2.590m carried forward from the 2023/24 financial year. This in year-deficit was driven by an against High Needs Block (HNB) budgets of £4.015m.
- 15.2. In 2024/25, HNB pressure is continuing. This is driving a forecast overspend of £2.628m. This is due to a significant increase in Independent Special School placements (forecast spend over budget of £1.4m) combined with £1.2m relating to SEND costs projected over budget).
- 15.3. In addition to expenditure on Independent Special School placements, there has been an exercise in 2024-25 to review the use of banding levels being applied in one of the Council's Special Schools. This has resulted in several children being placed on higher banding levels than previously determined, as well as threshold for banding levels also increasing. The increase in funding has placed additional pressure on the DSG High Needs Block of approx. £1.429m.
- 15.4. The Council has also continued to see a sharp overall increase in expenditure on SEN Support Services which explains the remainder of the budget pressure on the High Needs Block DSG (£1.2m).
- 15.5. A High Needs Block DSG 5 year forecast will be presented to Schools Forum later in the year with potential mitigations set out against the High Need Block DSG to bring the DSG financial position back into balance.
- 15.6. At present the Government has applied a statutory override to DSG deficits which means that the deficit is not required to be funded by the General Fund (as would

usually be the case). The override is due to expire in March 2026. Good governance requires that all efforts must be made to constrain any overspend in the DSG, but the need to fund it from the General Fund would not arise until March 2026 under current arrangements. Work has been announced by the new Government to review the provisions for SEND and EHCP pupils within schools funding. Officers are working to mitigate the position as much as possible and also watching the emerging national policy picture.

16. Financial management

- 16.1. Key indicators of financial management can be examined through the management of routine financial transactions that the Council undertakes on a day-to-day basis.
- 16.2. In paying suppliers, the Council has adopted a no Purchase Order, 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.
- 16.3. 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 1 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 2024/25 – 2028/29

Financial Rules

Local Member:

All

Appendices [Please list the titles of Appendices]

Appendix 1A – 2024/25 Projected Revenue Outturn by Service

Appendix 1B – 2024/25 Detailed Projected Revenue Outturn by Service

Appendix 1C – 2024/25 Projected Revenue Outturn by Portfolio Holder

Appendix 2 – 2024/25 Income Projections

Appendix 3 – Delivery of 2024/25 Savings Proposals

Appendix 4 – Reconciliation of Monitoring Projections to Savings Delivery

Appendix 5 – Amendments to Original Budget 2024/25

Appendix 6 – Reserves 2024/25

Appendix 7 – Projected Capital Programme Outturn 2024/25 – 2026/27

Appendix 8 – Projected Capital Receipts

Appendix 9 – Financial Management Indicators

Appendix 10 – Enhanced savings delivery structure

APPENDIX 1A

2024/25 PROJECTED REVENUE OUTTURN BY SERVICE

Directorate / Service	Controllable Budget at Q1 £'000	Forecast Outturn at Q1 £'000	Forecast Outturn Variance at Q1 £'000	Commentary
Health & Wellbeing				
Public Health	(8)	(8)	0	No variance to budget at Period 3
Regulatory Services	356	541	185	The variance is due to unachieved savings of £0.174m
Health & Wellbeing Total	349	534	185	
People				
Adult Social Care	127,924	133,356	5,432	<ul style="list-style-type: none"> • £4.399m budget savings yet to be realised • £0.938m spend above budget on Purchasing (SPOT and Reablement) – work in train to review and address this.
Children's Social Care and Safeguarding	60,652	66,852	6,200	<ul style="list-style-type: none"> • £2.281m spend over budget on External Residential Placements. There have been a number of new external residential spot placements in quarter 1 which currently exceed estimated levels of activity included in the budget. • £2.087m spend over budget on Fostering. The majority relates to External Fostering (£1.809m), £1m of which relates to a savings target achieved on an one-off basis in 2023/24. • £1.313m spend over budget on staffing, driven by higher than anticipated activity levels and the need to maintain social worker caseloads at safe levels.
Children's Early Help, Partnerships and Commissioning	2,800	2,717	(83)	• £0.372m forecast spend under budget against Early Help Family Hubs staffing. A number of posts have remained vacant as the service has restructured. This is offset by some savings yet to be delivered, relating to organisation-wide initiatives.
Learning and Skills	18,177	20,161	1,984	• £2.121m forecast spend over budget against Home to School Transport. £1.661m of this relates to SEND Transport where there has been a significant increase in the number of children with Education Health and Care Plans (EHCPs) requiring transport. £0.460m relates to mainstream transport and the Children's transport Fleet.
Directorate Management	(1,249)	2,524	3,773	• £3.836m relates to organisation-wide savings initiatives not yet fully planned.
People Total	208,305	225,611	17,306	
Place				
Commercial Services	33,175	40,964	7,789	<ul style="list-style-type: none"> • £3.000m Asset rationalisation savings delivery plans not yet identified • £2.250m in-year shortfall on planned Green Waste charges (assumes September implementation and at least 55% initial take up). • £1.954m Organisation-wide savings yet to be identified

Directorate / Service	Controllable Budget at Q1 £'000	Forecast Outturn at Q1 £'000	Forecast Outturn Variance at Q1 £'000	Commentary
				<ul style="list-style-type: none"> • £1.500m shortfall on Waste PFI contract re-negotiation due to delays. • £0.771m Corporate Landlord unrealised income • £0.433m delayed implementation of Pyrolysis Plant & Maesbury Solar Farm • £0.325m savings on Shirehall running costs not yet unachieved. • £0.170m increase in projected utility costs projection • £0.100m shortfall on staff car parking income target • -£2.817m inflationary growth not required on Waste PFI contract • -£0.120m reduction in rates
Economy and Place	4,491	6,011	1,519	<ul style="list-style-type: none"> • £0.872m Organisation-wide savings yet to be identified. • £0.257m Reduced income forecast to be received from Planning Applications • £0.284m Shrewsbury Town Council SLA • £0.214m Savings yet to be identified • -£0.102m Contractor expenditure to deliver Environment & Transport policy and strategy
Highways and Transport	14,484	18,731	4,247	<ul style="list-style-type: none"> • £1.455m Organisation-wide savings yet to be identified. • £1.397m Winter Maintenance transfer from reserve (Budget £1.561m only £164k available) • £1.600m Kier Contract savings target of £2m not yet fully achieved • £1.235m Recharge to capital (budget still remains in Highways) • £0.547m Parking income target not fully achieved • -£0.500m Release of DfT Transport Grant • -£0.442m Recharge Permanent Repair Gangs to capital • -£0.341m Streetlighting Energy saving from LED rollout • -£0.300m Additional use of Pension Reserve • -£0.259m Concessionary Fares change in reimbursement model
Homes and Communities	12,565	13,590	1,025	<ul style="list-style-type: none"> • £2.272m Organisation-wide savings yet to be identified. • £0.286m Activity higher than budgeted for Temporary Accommodation and Care Management. • -£0.900m Savings in salaries due to VR & vacancies. • -£0.193m BCP saving showing due to vacant posts and VR contributing to Corporate savings • -£0.130m Registrars saving due to income projections exceeding budget plus VR contributions to Corporate saving. • -£0.115m increased income for Handyman Services. • -£0.103m Saving in external contracts in Housing. • -£0.101m Theatre Services
Directorate Management	344	526	182	<ul style="list-style-type: none"> • £2.504m Corporate MTFs savings yet to be realised
Place Total	65,059	79,822	14,763	
Resources				
Finance and Technology	2,772	4,828	2,056	<ul style="list-style-type: none"> • £2.225m Organisation-wide savings yet to be identified. • £0.108m shortfall across income generation and recovery of costs • (£0.277m) additional savings achieved across vacancy management on a one-off basis

Directorate / Service	Controllable Budget at Q1 £'000	Forecast Outturn at Q1 £'000	Forecast Outturn Variance at Q1 £'000	Commentary
Workforce and Improvement	78	977	899	<ul style="list-style-type: none"> • £1.032m savings relating to right sizing the organisation, third party spend, Target Operating Model (TOM) activity and income generation. • £0.120m income generation shortfall across Service Level Agreement contracts • £0.114m reduced staff capitalisation across W&I • (£0.414m) savings achieved from VR programme and vacancy management
Legal and Governance	585	1,150	565	<ul style="list-style-type: none"> • £0.687m Organisation-wide savings yet to be identified. • £0.154m reduced income from the Matrix rebate due to transfer of service to OPUS which should deliver wider organisational savings • (£0.390m) savings achieved from VR programme and vacancy management
Pensions	8	8	0	• No variance to budget at Period 3
Directorate Management	10	1,120	1,110	• £1.112m savings yet to be identified relating to the Customer Experience Programme which will be across Shropshire Council
Resources Total	3,453	8,083	4,630	
Strategic Management Board				
Chief Executive and PAs	21	152	130	• Minor variance to budget at Period 3.
Programme Management	164	302	138	<ul style="list-style-type: none"> • £0.062m MTFS savings yet to be realised • £0.076m spend relating to Transformation that is not able to be capitalised
Communications and Engagement	429	599	170	<ul style="list-style-type: none"> • £0.267m MTFS savings yet to realised • (£0.122m) additional savings achieved across vacancy management on a one-off basis
Strategic Management Board Total	614	1,053	438	
Corporate Budgets	(16,082)	(9,398)	6,684	• £6.560m Corporate MTFS savings targets yet to be realised
Council Total	261,697	305,704	44,007	
Estimated benefit from Resizing		(5,500)	(5,500)	
TOTAL INCLUDING DELAYED INFORMATION	261,697	300,204	38,507	

APPENDIX 1B

DETAIL BY SERVICE AREA

Directorate / Service	Revised Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Health & Wellbeing	349	534	185
People	208,304	225,611	17,306
Place	65,059	79,822	14,763
Resources	3,453	8,083	4,630
Strategic Management Board	614	1,053	438
Corporate Budgets	(16,082)	(9,398)	6,684
Total	261,697	305,704	44,007
Estimated impact of Service reviews	0	(5,500)	(5,500)
	261,697	300,204	38,507

Directorate Detail

Directorate			Budget	Outturn	Variance	RAGY
A1R009	CORPORATE BUDGETS		(16,082,190)	(9,397,898)	6,684,292	R
A1R009: Corporate Budgets	Portfolio Holder		Budget	Outturn	Variance	RAGY
RSA057	Corporate Budgets	Finance, Corporate Resources and Communities	(16,082,190)	(9,397,898)	6,684,292	R
<ul style="list-style-type: none"> • £6.560m Organisation-wide savings targets yet to be realised • £0.081m spend above budget relating to Audit Commission fees • £0.070m spend above budget relating to interest receivable and payable 						
Total A1R009: Corporate Budgets			(16,082,190)	(9,397,898)	6,684,292	

Directorate			Budget	Outturn	Variance	RAGY
A1R011	HEALTH & WELLBEING		348,660	533,731	185,071	R
A1R011: Health and Wellbeing	Portfolio Holder		Budget	Outturn	Variance	RAGY
RSA007	Regulatory Services	Planning and Regulatory Services	356,390	541,461	185,071	R
Spend over budget is due to unachieved savings of £0.174m						
RSA011	Ring Fenced Public Health Services	Adult Social Care and Public Health	(7,730)	(7,730)	0	Y
No variance to budget at Period 3						
Total A1R011: Health and Wellbeing			348,660	533,731	185,071	

Directorate			Budget	Outturn	Variance	RAGY
A1R010	PEOPLE		208,304,270	225,610,522	17,306,252	R
A1R010: People	Portfolio Holder		Budget	Outturn	Variance	RAGY
RSA001	Adult Social Care Business Support and Development	Adult Social Care and Public Health	(2,512,710)	(1,703,064)	809,646	R
<ul style="list-style-type: none"> • £1.087m Organisation-wide savings yet to be realised. • -£0.277m Capitalisation of staff supporting Transformation Projects. 						

Directorate			Budget	Outturn	Variance	RAGY
RSA002	Adult Social Care Management	Adult Social Care and Public Health	919,920	630,586	(289,334)	Y
<ul style="list-style-type: none"> • £0.034m Organisation-wide savings yet to be realised. • -£0.323m Capitalisation of staff supporting Transformation Projects. 						
RSA003	Adult Social Care Provider Services	Adult Social Care and Public Health	4,257,750	5,134,526	876,776	R
<ul style="list-style-type: none"> • £0.797m Organisation-wide savings yet to be realised. • £0.079m Minor variance to budget as at Period 3 						
RSA005	Adult Social Care Operations	Adult Social Care and Public Health	125,259,310	129,294,136	4,034,826	R
<ul style="list-style-type: none"> • £3.097m Organisation-wide savings yet to be realised • £0.868m Increase in Purchasing (Increase of 34% demand through hospital discharge and requiring packages to meet complex needs) • £0.070m Minor variance to budget as at Period 3 						
RSA018	Children's Social Care and Safeguarding	Children & Education	60,652,060	66,852,068	6,200,008	R
<ul style="list-style-type: none"> • £2.281m forecast spend over budget on External Residential Placements. There have been several new external residential spot placements in quarter 1. • £2.087m forecast spend over budget on Fostering. The majority relates to External Fostering (£1.809m), partly explained by a portion of £1m savings target which was not achieved on an ongoing basis in 2023/24. The remaining £0.278m relates to Internal Fostering fees and allowances. • £1.313m forecast spend over budget on staffing across the Social Work Teams, largely relating to Agency Social Workers. This figure includes a £0.085m forecast unachievable savings target in relation to reducing Agency Social Workers. • £0.791m savings target unachievable relates to efficiency savings targets across the whole of Children's Social Care and more time is required to produce a delivery plan. • £0.551m forecast spend over budget relates to other costs such as transport recharges and taxi costs, childcare payments, parenting assessments and interpreting fees. • £0.270m "low value efficiencies" savings target is currently forecast to be unachieved. • £0.145m forecast spend over budget on Leaving Care, mostly relating to Leaving Care Accommodation and Allowances • There is a credit of £1.546m relating to the capitalisation of posts as a one-off working on transformational projects (Stepping Stones Project). 						
RSA019	Children's Early Help, Partnerships and Commissioning	Children & Education	2,800,200	2,717,471	(82,729)	Y
<ul style="list-style-type: none"> • £0.289m new savings proposed in 2024/25 are currently forecast as unachieved. These are organisational savings relating to rightsizing the organisation, third party spend and efficiency savings across the whole of Early Help. More time is required to produce a delivery plan to set out how these organisational wide savings will be achieved. • £0.372m forecast spend under budget against Early Help Family Hubs staffing. The service implemented a new staffing structure from 1st June so staff turnover has been high and a number of posts have remained vacant as the service has restructured 						
RSA021	Learning and Skills	Children & Education	18,177,130	20,161,226	1,984,096	R
<ul style="list-style-type: none"> • £2.121m forecast spend over budget against Home to School Transport. £1.661m of this relates to SEND Transport where there has been a significant increase in the number of children with EHC Plans requiring transport. The remaining £0.460m relates to mainstream transport and the Children's transport Fleet. Forecast unachieved savings account for £0.727m of the £2.121m forecast overspend. • There is a credit of £0.058m relating to the capitalisation of 1 post as a one-off working on transformational projects. • £0.079m forecast spend under budget relates to one-off staffing savings and additional income as a result of a higher number of academy conversions falling within the 2024/25 financial year. 						
RSA070	People Directorate Management	Adult Social Care and Public Health	(1,249,390)	2,523,573	3,772,963	R
<ul style="list-style-type: none"> • £3.836m relates to Organisation-wide savings delivery 						
Total A1R010: People			208,304,270	225,610,522	17,306,252	

Directorate			Budget	Outturn	Variance	RAGY
A1R003	PLACE		65,059,010	79,821,787	14,762,777	R
A1R003: Place		Portfolio Holder	Budget	Outturn	Variance	RAGY
RSA004	Housing Services	Housing and Assets	4,615,320	3,782,241	(833,079)	Y
<ul style="list-style-type: none"> • £0.286m variance driven by activity higher than provided for in the budget for Temporary Accommodation and Care Management. • -£0.900m savings in salaries due to Voluntary Redundancy (VR) & vacancies. • -£0.115m increased income for Handyman Services. • -£0.103m saving in external contracts. 						
RSA006	Bereavement Services	Planning and Regulatory Services	(270,320)	(272,127)	(1,807)	Y
• Minor Variance to budget as at Period 3.						
RSA008	Business and Consumer Protection	Planning and Regulatory Services	1,919,300	1,725,668	(193,632)	Y
• -£0.194m variance at Period 3 due to vacant posts and VR posts contributing to corporate savings						
RSA009	Registrars and Coroners	Planning and Regulatory Services	467,400	337,266	(130,134)	Y
• -£0.130m variance due to better than budgeted income projection						
RSA012	Assistant Director Commercial Services	Housing and Assets	(4,790,350)	75,254	4,865,604	R
• £4.894m Savings delivery plan not yet confirmed						
RSA013	Corporate Landlord, Property and Development	Housing and Assets	3,697,770	4,774,068	1,076,298	R
<ul style="list-style-type: none"> • £0.619m Shortfall in Student Accommodation income partially offset by savings in Housing due to change of use for temporary accommodation • £0.325m Shirehall savings yet to be identified • £0.170m Spend over budget on Utilities • £0.150m Unrealised rent income • -£0.120m Reduction in rates 						
RSA017	Shire Services	Housing and Assets	0	56,397	56,397	A
• £0.056m spend over budget on Shire Catering						
RSA023	Director of Place	Housing and Assets	343,900	526,028	182,128	R
• £0.182m Organisation-wide savings targets yet to be realised.						
RSA024	Assistant Director Economy & Place	Growth and Regeneration	(708,790)	163,594	872,384	R
• £0.872m Organisation-wide savings targets yet to be realised.						
RSA025	Planning Services	Planning and Regulatory Services	299,560	775,860	476,300	R
<ul style="list-style-type: none"> • £0.257m Reduced income forecast to be received from Planning Applications • £0.214m Savings targets allocated at service level 						
RSA026	Economic Growth	Growth and Regeneration	1,212,370	1,228,839	16,469	G
• Minor Variance to budget as at Period 3.						
RSA027	Broadband	Culture and Digital	151,880	108,399	(43,481)	Y
• Minor Variance to budget as at Period 3.						
RSA028	Policy and Environment	Planning and Regulatory Services	1,835,730	1,847,986	12,256	G
• Minor Variance to budget as at Period 3.						
RSA029	Shrewsbury Shopping Centres (Commercial)	Growth and Regeneration	-	-	-	G
• No Projected variance anticipated						

Directorate			Budget	Outturn	Variance	RAGY
RSA030	Culture, Leisure & Tourism Development	Culture and Digital	1,230	1,290	60	G
• Minor variance to budget as at Period 3						
RSA031	Highways & Transport	Highways	16,552,610	19,344,022	2,791,412	R
<ul style="list-style-type: none"> • £1.397m Winter Maintenance transfer from reserve (Budget £1.561m only £164k available) • £1.600m Kier Contract savings target of £2m not fully achieved • £1.235m Recharge to capital (budget still remains in Highways) • £0.547m Parking income target not fully achieved • -£0.500m Application of DfT Transport Grant • -£0.442m Recharge Permanent Repair Gangs to capital • -£0.341m Streetlighting Energy saving from LED rollout • -£0.300m Additional draw from Pension Reserve • -£0.259m Concessionary Fares change in reimbursement model 						
RSA032	Shropshire Hills National Landscape	Culture and Digital	36,640	36,640	0	G
• No variance to budget as at Period 3						
RSA033	Outdoor Partnerships	Culture and Digital	1,186,310	1,184,280	(2,030)	Y
• Minor Variance to budget as at Period 3.						
RSA034	Leisure	Culture and Digital	2,005,660	2,130,965	125,305	R
• £0.125m spend over budget due to unachieved savings based around the sale of South Shropshire Leisure Centre not achievable in year, plus pressures from casual staff costs not covered by budget necessary to run leisure centres						
RSA035	Libraries	Culture and Digital	3,449,520	3,387,553	(61,967)	Y
• Minor Variance to budget as at Period 3.						
RSA036	Museums and Archives	Culture and Digital	1,133,160	1,121,875	(11,285)	Y
• Minor Variance to budget as at Period 3.						
RSA037	Theatre Services	Culture and Digital	47,120	(54,496)	(101,616)	Y
• -£0.101m additional income						
RSA038	Waste Management	Deputy Leader, Climate Change, Environment and Transport	34,472,440	35,824,588	1,352,148	R
<ul style="list-style-type: none"> • £2.250m shortfall on Green Waste Income based on revised implementation date and take up • £1.500m shortfall on Waste PFI Contract based on revised implementation date • £0.210m shortfall on savings from Household Recycling centres based on delayed implementation dates. • -£2.817m saving on reduction of inflationary increase against the contract 						
RSA058	Assistant Director Highways and Transport	Highways	(2,068,360)	(612,523)	1,455,837	R
<ul style="list-style-type: none"> • £1.455m Organisation-wide targets not yet realised • £0.103m low level pressures. 						
RSA059	Commercial Services Business Development	Housing and Assets	5,810	10,713	4,903	G
• Minor variance to budget as at Period 3						
RSA060	Head of Culture, Leisure & Tourism	Culture and Digital	438,430	330,394	(108,036)	Y
• Minor variance to budget as at Period 3						
RSA062	Climate Change	Deputy Leader, Climate Change, Environment and Transport	(210,820)	222,914	433,734	R
• £0.433m due to delayed implementation of Pyrolysis plant and Maesbury Solar farm						
RSA063	Highway Policy & Strategic Infrastructure	Deputy Leader, Climate Change, Environment and Transport	1,700,700	1,885,925	185,225	R
<ul style="list-style-type: none"> • £0.284m Shrewsbury Town Council SLA • -£0.102m Contractor expenditure to deliver Environment & Transport policy and strategy 						
RSA064	Assistant Director Homes and Communities	Housing and Assets	(2,528,430)	(153,135)	2,375,295	R
<ul style="list-style-type: none"> • £2.272m Organisation-wide targets not yet realised • £0.103m low level pressures. 						

Directorate			Budget	Outturn	Variance	RAGY
RSA065	Housing Development and HRA	Housing and Assets	63,220	31,310	(31,910)	Y
• Minor Variance to budget as at Period 3.						
Total A1R003: Place			65,059,010	79,821,787	14,762,777	

Directorate			Budget	Outturn	Variance	RAGY
A1R012	RESOURCES		3,881,900	8,682,039	4,800,139	R
A1R012:						
Resources		Portfolio Holder	Budget	Outturn	Variance	RAGY
RSA042	Automation and Technology	Culture and Digital	(6,670)	(249,769)	(243,099)	Y
• (£0.243m) additional savings achieved across vacancy management and contract management on a one-off basis.						
RSA043	Communications & Engagement	Leader, Policy and Strategy, Improvement and Communications	428,890	598,662	169,772	R
<ul style="list-style-type: none"> • £0.267m Organisation-wide savings yet to realised • £0.025m lost income for Out of Hours Service Level Agreements with External Clients • (£0.122m) additional savings achieved across vacancy management on a one-off basis 						
RSA044	Business Improvement: Data, Analysis and Intelligence	Culture and Digital	38,490	199,921	161,431	R
<ul style="list-style-type: none"> • £0.112m reduced contribution for capitalisation for staffing • £0.046m Organisation-wide savings yet to be realised 						
RSA045	Human Resources and Organisational Development	Finance, Corporate Resources and Communities	39,230	777,260	738,030	R
<ul style="list-style-type: none"> • £1.032m savings relating to right sizing the organisation, third party spend, Target Operating Model (TOM) activity and income generation. • £0.120m income generation shortfall across Service Level Agreement contracts • (£0.414m) savings achieved from VR programme and vacancy management 						
RSA047	Finance	Finance, Corporate Resources and Communities	2,266,910	4,565,694	2,298,784	R
<ul style="list-style-type: none"> • £2.225m Organisation-wide savings yet to be realised • £0.108m shortfall across income generation and recovery of costs • (£0.277m) additional savings achieved across vacancy management on a one-off basis 						
RSA050	Pensions	Finance, Corporate Resources and Communities	8,280	8,280	0	G
• No variance to budget at Period 3						
RSA051	Commissioning Development and Procurement	Finance, Corporate Resources and Communities	(18,710)	157,360	176,070	R
<ul style="list-style-type: none"> • £0.154m reduced income from the Matrix rebate due to transfer of service to OPUS which should deliver wider organisational savings • £0.028m MTFS savings yet to be realised 						
RSA052	Risk Management	Finance, Corporate Resources and Communities	(28,230)	(28,230)	0	G
• No variance to budget at Period 3.						
RSA053	Democratic Services	Finance, Corporate Resources and Communities	7,010	(36,049)	(43,059)	Y
• Minor variance to budget at Period 3.						
RSA054	Elections	Finance, Corporate Resources and Communities	598,310	608,749	10,439	G
• Minor variance to budget at Period 3.						

Directorate			Budget	Outturn	Variance	RAGY
RSA055	Legal Services	Finance, Corporate Resources and Communities	(30,840)	428,686	459,526	R
<ul style="list-style-type: none"> • £0.687m Organisation-wide savings yet to be realised • (£0.390m) savings achieved from VR programme and vacancy management 						
RSA066	Policy and Governance	Finance, Corporate Resources and Communities	(27,590)	(169,352)	(141,762)	Y
<ul style="list-style-type: none"> • £0.067m Organisation-wide savings yet to be realised • (£0.209m) savings achieved from vacancy management 						
RSA071	Resources Management Team	Finance, Corporate Resources and Communities	10,190	1,119,928	1,109,738	R
• £1.112m Organisation-wide savings yet to be realised relating to the Customer Experience Programme which will be across Shropshire Council						
RSA072	Housing Benefits	Finance, Corporate Resources and Communities	511,630	511,630	0	G
• No variance to budget at Period 3.						
RSA073	Scrutiny	Finance, Corporate Resources and Communities	85,000	189,269	104,269	R
• £0.100m Organisation-wide savings yet to be identified						
Total A1R012: Resources			3,881,900	8,682,039	4,800,139	

Directorate			Budget	Outturn	Variance	RAGY
A1R008	STRATEGIC MANAGEMENT BOARD		185,570	453,918	268,348	R
A1R008: Strategic Management Board		Portfolio Holder	Budget	Outturn	Variance	RAGY
RSA056	Chief Executive & PAs	Leader, Policy and Strategy, Improvement and Communications	21,110	151,531	130,421	R
• Minor variance to budget at Period 3.						
RSA067	Programme Management	Leader, Policy and Strategy, Improvement and Communications	164,460	302,386	137,926	R
<ul style="list-style-type: none"> • £0.062m Organisation-wide savings yet to be realised • £0.076m spend relating to Transformation that is not able to be capitalised 						
Total A1R008: Strategic Management Board			185,570	453,918	268,348	

APPENDIX 1C

2024/25 PROJECTED REVENUE OUTTURN BY PORTFOLIO HOLDER

Portfolio Holder	Revised Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Portfolio Holder Adult Social Care and Public Health	126,667	135,872	9,205
Portfolio Holder Children and Education	81,629	89,731	8,101
Deputy Leader and Portfolio Holder Climate Change, Environment and Transport	35,962	37,933	1,971
Portfolio Holder Finance, Corporate Resources and Communities	12,661	(1,265)	11,396
Portfolio Holder Housing and Assets	1,407	9,103	7,696
Portfolio Holder Planning and Regulatory Services	4,608	4,956	348
Portfolio Holder Highways	14,484	18,731	4,247
Portfolio Holder Growth and Regeneration	504	1,392	889
Portfolio Holder Culture and Digital	8,482	8,197	285
Leader and Portfolio Holder Policy and Strategy, Improvement and Communications	614	1,053	438
Total	261,697	305,704	44,007
Estimated impact of Service reviews	0	(5,500)	(5,500)
	261,697	300,204	38,507

APPENDIX 2

2024/25 INCOME PROJECTIONS Specific Government Grants

The revenue budget for 2024/25 includes specific Government Grants of £300.846m. The majority of these budgets will be based on known allocations that the Government has announced for Shropshire Council. However, during the year the Council will also bid for additional grant funding to support activities. This table tracks the overall position as it emerges.

Government Grants	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
People			
Dedicated Schools Grant	(128,082)	(128,082)	0
Pupil Premium Grant	(7,216)	(7,216)	0
Market Sustainability and Improvement Fund	(6,098)	(6,098)	0
Adult Social Care Discharge Fund	(2,772)	(2,772)	0
Unaccompanied Asylum Seeking Children	(2,987)	(3,582)	(595)
Improved Better Care Fund	(1,967)	(1,967)	0
Other Grants	(8,355)	(9,317)	(962)
Total People Grants	(157,477)	(159,034)	(1,557)
Place			
UK Shared Prosperity Fund	(5,662)	(5,742)	(80)
Waste - PFI	(3,186)	(3,186)	0
Homes for Ukraine	(1,513)	(1,090)	423
Other Grants	(4,806)	(5,880)	*(1,074)
Total Place Grants	(15,167)	(15,898)	(731)
Health and Wellbeing			
Public Health Grant	(13,496)	(13,496)	0
Other Grants	(1,228)	(2,317)	^(1,089)
Total Health and Wellbeing Grants	(14,724)	(15,813)	(1,089)
Resources			
Mandatory Rent Allowances: Subsidy	(38,000)	(38,000)	0
Rent Rebates: Subsidy	(7,902)	(7,902)	0
Other Grants	(756)	(773)	(17)
Total Resources Grant	(46,658)	(46,675)	(17)
Strategic Management Board	0	0	0
Corporate Budgets			
Social Care Support Grant	(28,010)	(28,010)	0
Business Rate Retention Scheme – s31 Grants	(23,625)	(23,625)	0
Improved Better Care Fund	(9,896)	(9,896)	0
Rural Service Delivery Grant	(8,982)	(8,982)	0
New Homes Bonus	(1,807)	(1,807)	0
Other Grants	(1,880)	(1,880)	0
Total Corporate Budgets	(74,200)	(74,200)	0
Total	(308,226)	(311,620)	(3,394)

* Additional grants in Place include £0.3m of DFE Multiply Funding relating to the UK Shared Prosperity Fund, an additional £0.174m for Active Travel Grant and an additional £0.167m of Household Support Fund.

^ Additional grants projected include £0.567m of Supplementary Substance Misuse Treatment and Recovery Funding, £0.342m

Income from Fees and Charges

The forecast income from discretionary sales, fees and charges is showing a projected shortfall, although over £1.2m of this is due to a reduction in costs being recharged as the costs are no longer held within the council (i.e. Marches LEP). Other shortfalls in income include car park income and rental income within Commercial Services. Further work will be undertaken within these services to generate additional income to offset these projected shortfalls, or expenditure will be reduced accordingly.

Fees and Charges Income	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
People			
Adult Social Care Management	0	0	0
Adult Social Care Business Support & Development	(3,039)	(3,356)	(317)
Adult Social Care Provider Services	(172)	(201)	(29)
Adult Social Care Operations	0	0	0
Children's Social Care and Safeguarding	0	(2)	(2)
Children's Early Help, Partnerships and Commissioning	0	(3)	(3)
Learning and Skills	(791)	(1,436)	(645)
Directorate Management	0	0	0
People Total	(4,002)	(4,998)	(996)
Place			
Commercial Services	(23,415)	(21,484)	1,930
Economy and Place	(908)	(385)	523
Highways and Transport	(6,841)	(5,783)	1,058
Homes and Communities	(7,780)	(6,468)	1,312
Directorate Management	0	0	0
Place Total	(38,944)	(34,120)	4,824
Health and Wellbeing			
Public Health – Non Ringfenced	(19)	(28)	(9)
Public Health - Ringfenced	(960)	(873)	87
Health and Wellbeing Total	(979)	(901)	78
Resources			
Workforce and Improvement	(558)	(531)	27
Finance and Technology	(1,951)	(1,882)	69
Legal and Governance	(69)	(241)	(172)
Pensions	(21)	(21)	0
Directorate Management	0	0	0
Resources Total	(2,599)	(2,675)	(76)
Strategic Management Board			
Chief Executive and PAs	0	0	0
Programme Management	0	0	0
Communications and Engagement	(180)	(55)	125
Strategic Management Board Total	(180)	(55)	125
Corporate Budgets	0	0	0
Total	(46,704)	(42,749)	3,955

APPENDIX 3

DELIVERY OF 2024/25 SAVINGS PROPOSALS


2.1 Summary

The savings projections for 2024/25 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 30th June 2024.

£62,479,970 Savings Target	£18,008,525 Delivered	£29,782,393 Projected Delivery	£3,758,493 Indicative Plans	£28,939,084 Not Yet Planned	£26,246,311 25/26 Full Year Savings	£36,233,659 25/26 Savings Outstanding
	28.82% % Delivered	47.67% % Projected Delivery	6.02% % Indicative Plans	46.32% % Not Yet Planned	42.01% % 25/26 Full Year Savings	57.99% % 25/26 Savings Outstanding

Despite projected delivery and indicative plans being in place for over 50% of the savings identified as at Period 3, a number of these may be being achieved through one off means, rather than an ongoing basis, hence the 25/26 full year delivery is currently showing around 42%. Further work is to be progressed to ensure that savings proposals delivered can be delivered on an ongoing basis in order to reduce any further savings pressures into 2025/26.

 Shropshire Council 24/25 Individual Savings List										
Savings Name	Savings Target	Delivered to Date (One-off)	Delivered to Date (Ongoing)	Delivered to Date Total	Projected Delivery (One-off)	Projected Delivery (Ongoing)	Projected Delivery Total	Indicative Plans in Place	Not Yet Planned	2025/26 Full Year Savings Delivery (Ongoing)
CM003 - Increase fly tipping charges	£20,000	£0	£0	£0	£0	£0	£0	£20,000	£0	£20,000
CM007 - Increase wider Fees and charges above those mentioned specifically elsewhere	£2,000,000	£0	£7,000	£7,000	£0	£33,740	£33,740	£113,140	£1,853,120	£34,980
MD001 - Further increase funding of public health reserves to support preventative initiatives at the children's, adults and customer front-door.	£200,000	£0	£200,000	£200,000	£0	£200,000	£200,000	£0	£0	£0
MD004 - Transfer of a leisure asset to an appropriate provider.	£100,000	£0	£100,000	£100,000	£0	£100,000	£100,000	£0	£0	£100,000
MD006 - Introduce a booking system for household recycling centres	£200,000	£0	£0	£0	£0	£0	£0	£200,000	£0	£200,000
MD007 - By increasing the use of technology, community and voluntary support reduce the need for formal care by maximising independence	£2,215,811	£0	£674,055	£674,055	£0	£2,215,811	£2,215,811	£0	£0	£2,215,811
MD008 - Increase the number of people supported by START inhouse reablement service to maximise independence, preventing readmission and the need for long term social care	£1,596,510	£0	£989,482	£989,482	£0	£1,596,510	£1,596,510	£0	£0	£1,596,510
MD011 - Reducing the need to long term residential care - Ensuring that Shropshire Council commission the right care for people in line with their needs	£129,314	£0	£0	£0	£0	£129,314	£129,314	£0	£0	£129,314
MD012 - Supported living - Reduce the need for 24 hour provision and increase independence through alternative resources such as technology	£1,200,000	£0	£104,039	£104,039	£0	£1,200,000	£1,200,000	£0	£0	£1,200,000
MD014 - Enabling the use of wider travel options to increase independence and reduce isolation	£200,000	£0	£0	£0	£0	£0	£0	£200,000	£0	£0
MD015 - Deliver efficiencies through review of service delivery	£300,000	£0	£300,000	£300,000	£0	£300,000	£300,000	£0	£0	£300,000
MD016 - Night time care and support service enabling people to stay at home	£522,000	£0	£289,622	£289,622	£0	£522,000	£522,000	£0	£0	£522,000

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MD017 - Supporting people to have Direct payment rather than agency care	£110,000	£0	£152,231	£152,231	£0	£152,231	£152,231	£0	£-42,231	£152,231
NI001 - Increase in income through the Minimum income guarantee national announcement	£1,500,000	£0	£334,800	£334,800	£0	£1,500,000	£1,500,000	£0	£0	£1,500,000
NI002 - Reconciliation of any variance to care hours provided.	£2,300,000	£0	£0	£0	£2,300,000	£0	£2,300,000	£0	£0	£0
NI003 - Set up a charging structure for recipients of telecare	£100,000	£0	£0	£0	£0	£0	£0	£100,000	£0	£100,000
NI004 - Expand the Handy Person service to a wider range of customers, including fee payers, supporting independent living	£10,000	£0	£10,000	£10,000	£0	£10,000	£10,000	£0	£0	£10,000
NI005 - Increased income from countryside maintenance contracting activity. Review green asset maintenance arrangements	£39,720	£0	£39,720	£39,720	£0	£39,720	£39,720	£0	£0	£39,720
NI006 - Increase income from Museums and Archives services	£150,000	£0	£150,000	£150,000	£0	£150,000	£150,000	£0	£0	£150,000
NI007 - Increase income from an enhanced memorial and ceremony offer at Council sites	£60,000	£0	£0	£0	£0	£0	£0	£60,000	£0	£60,000
NI008 - Increase income from an improved range of wedding and partnership ceremony packages	£68,000	£0	£68,000	£68,000	£0	£68,000	£68,000	£0	£0	£68,000
NI009 - Development of commercial model for theatre and cinema income to achieve net zero budget	£295,000	£0	£45,000	£45,000	£0	£295,000	£295,000	£0	£0	£295,000
NI010 - Introduce charging for fortnightly green waste collection	£4,000,000	£0	£0	£0	£0	£1,750,000	£1,750,000	£0	£2,250,000	£4,400,000
NI012 - Charge housing developers for new bins	£70,000	£0	£0	£0	£0	£0	£0	£70,000	£0	£70,000
NI013 - Review options for car parking charges at Council offices	£100,000	£0	£0	£0	£0	£0	£0	£0	£100,000	£0
RC001 - Redesign the delivery of the statutory service including managing demand.	£105,000	£0	£14,600	£14,600	£0	£14,600	£14,600	£90,400	£0	£105,000
RC002 - Redesign the delivery of the statutory regulatory (ecology) services including managing demand.	£58,600	£0	£58,600	£58,600	£0	£58,600	£58,600	£0	£0	£58,600
RC003 - Further increase allocation of the public health grant to support preventative initiatives at the children's, adults and customer front-door.	£90,000	£0	£90,000	£90,000	£0	£90,000	£90,000	£0	£0	£90,000
RC004 - Capitalisation of reserves as one off for staff and projects relating to transformation work to further increase funding of public health reserves to support preventative initiatives. This is for 2024/25, in addition to 1,000,000 in 23/24.	£1,000,000	£850,000	£0	£850,000	£850,000	£0	£850,000	£0	£150,000	£0
RC006 - Increase income through charging for training.	£180,000	£0	£60,000	£60,000	£0	£60,000	£60,000	£120,000	£0	£60,000
RC007 - Review of our in house day service provision.	£105,000	£0	£44,350	£44,350	£0	£105,000	£105,000	£0	£0	£105,000
RC008 - Review and reduce 3rd party spend	£2,600,000	£0	£2,608,000	£2,608,000	£0	£2,608,000	£2,608,000	£0	£-8,000	£2,608,000
RC009 - Review and reduce the need for 24 hour provision through the use of technology to increase independence	£300,000	£0	£0	£0	£0	£300,000	£300,000	£0	£0	£300,000
RC011 - Review and resize business support functions	£375,000	£0	£0	£0	£283,975	£91,025	£375,000	£0	£0	£375,000
RC012 - Review of external day service provision	£180,000	£0	£0	£0	£0	£180,000	£180,000	£0	£0	£180,000
RC013 - Improve efficiencies of commissioned services across children's services contracts and secure overall reduction in demand.	£1,600,000	£0	£895,517	£895,517	£0	£1,600,000	£1,600,000	£0	£0	£895,517
RC014 - Review & resize senior staffing structure in Children's Services against projected activity levels	£87,000	£87,000	£0	£87,000	£87,000	£0	£87,000	£0	£0	£87,000
RC016 - Agency Staff - reducing use of agency staff, promote permanent staffing.	£85,000	£0	£0	£0	£0	£0	£0	£0	£85,000	£0
RC017 - Review & resize Supported Board and Lodgings (17 & 18 year olds) to ensure full capacity	£30,000	£0	£30,000	£30,000	£0	£30,000	£30,000	£0	£0	£30,000
RC020 - Ensure that funding for the most complex of children is equitably shared with Health as an equal partner responsible for the safe care of children.	£156,000	£0	£157,493	£157,493	£0	£157,493	£157,493	£0	£-1,493	£98,364
RC023 - Focus new residential property acquisitions on priority housing needs	£50,000	£0	£0	£0	£0	£50,000	£50,000	£0	£0	£50,000
RC024 - Optimise the use of existing Council residential properties	£20,000	£0	£0	£0	£0	£0	£0	£20,000	£0	£20,000
RC025 - Review and resize the Housing Services team	£60,000	£0	£60,000	£60,000	£0	£60,000	£60,000	£0	£0	£60,000
RC029 - Review staffing and resize the Rights of Way team	£19,395	£0	£19,395	£19,395	£0	£19,395	£19,395	£0	£0	£19,395
RC030 - Review staffing and resize the Outdoor Partnerships team	£41,250	£0	£41,250	£41,250	£0	£41,250	£41,250	£0	£0	£41,250
RC031 - Removal of Arts Development funding	£17,120	£0	£17,120	£17,120	£0	£17,120	£17,120	£0	£0	£17,120

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RC035 - Review staffing and resize the Culture Leisure and Tourism management team	£350,000	£0	£350,000	£350,000	£0	£350,000	£350,000	£0	£0	£350,000
RC036 - Service efficiencies from Registrars service digitisation	£50,000	£0	£50,000	£50,000	£0	£50,000	£50,000	£0	£0	£50,000
RC038 - Review staffing and resize the Business and Consumer Protection Team	£35,000	£0	£34,232	£34,232	£0	£34,232	£34,232	£0	£768	£35,000
RC040 - Dispose of Shirehall quicker and relocate services	£325,000	£0	£0	£0	£0	£0	£0	£0	£325,000	£0
RC043 - Review and resize staffing in Property and Development Services	£550,000	£0	£507,270	£507,270	£0	£507,270	£507,270	£0	£42,730	£614,190
RC044 - Review and resize the Climate Change team	£200,000	£0	£200,000	£200,000	£0	£200,000	£200,000	£0	£0	£200,000
RC045 - Review and re-size staffing in Strategic Transport	£70,000	£0	£0	£0	£0	£37,840	£37,840	£0	£32,160	£75,680
RC046 - Review staffing and secure workforce reductions in tree work, conservation, and historic environment teams.	£175,000	£0	£163,093	£163,093	£0	£163,093	£163,093	£11,907	£0	£175,000
RC047 - Review and re-size staffing in Planning Policy team	£160,000	£0	£160,000	£160,000	£0	£160,000	£160,000	£0	£0	£160,000
RC048 - Review and re-size staffing in Planning team.	£230,000	£0	£183,837	£183,837	£0	£230,000	£230,000	£0	£0	£230,000
RC049 - Review and re-size staffing in Highways Development team	£100,000	£20,000	£120,000	£100,000	£20,000	£120,000	£100,000	£0	£0	£100,000
RC050 - Review and re-sizing staffing in Planning Enforcement	£35,000	£0	£29,093	£29,093	£0	£35,000	£35,000	£0	£0	£35,000
RC051 - Review and re-sizing staffing in Broadband team.	£30,000	£0	£30,000	£30,000	£0	£30,000	£30,000	£0	£0	£30,000
RC052 - Capitalise post in Strategic Infrastructure.	£37,000	£0	£0	£0	£37,000	£0	£37,000	£0	£0	£37,000
RC053 - Capitalise part of posts in Economic Growth.	£50,000	£0	£0	£0	£50,000	£0	£50,000	£0	£0	£50,000
RC054 - Review and re-size staffing in the economic development team, including options to capitalise posts.	£77,000	£0	£59,300	£59,300	£0	£77,000	£77,000	£0	£0	£77,000
RC055 - Change in percentage split of chargeable/non-chargeable receipts in Building Control	£70,000	£0	£0	£0	£70,000	£0	£70,000	£0	£0	£70,000
RC057 - Cessation of LEP contribution further to government guidance.	£36,000	£0	£36,000	£36,000	£0	£36,000	£36,000	£0	£0	£36,000
RC058 - Stop payment of subscription to "Midlands Engine" partnership.	£20,000	£0	£20,000	£20,000	£0	£20,000	£20,000	£0	£0	£20,000
RC059 - Review contractor provisions relating to pensions costs (one off).	£300,000	£0	£0	£0	£300,000	£0	£300,000	£0	£0	£0
RC060 - Review contracts and secure cost reductions in current 'Green Asset' contracts.	£250,000	£0	£250,000	£250,000	£0	£250,000	£250,000	£0	£0	£250,000
RC061 - Review contract and secure cost reductions in reactive drainage operational team.	£200,000	£0	£200,000	£200,000	£0	£200,000	£200,000	£0	£0	£200,000
RC062 - Review and resize through highways restructure	£600,000	£0	£338,773	£338,773	£0	£378,723	£378,723	£221,277	£0	£600,000
RC063 - Cross Directorate structural efficiencies & synergies alongside framework utilisation reductions.	£2,000,000	£0	£700,000	£700,000	£0	£700,000	£700,000	£0	£1,300,000	£700,000
RC064 - Review and re-size staffing HR/OD Team (1)	£100,000	£0	£80,302	£80,302	£0	£80,320	£80,320	£0	£19,680	£100,000
RC065 - Review and re-size staffing HR/OD Team (2)	£100,000	£0	£0	£0	£0	£0	£0	£0	£100,000	£37,660
RC066 - Review and re-size staffing in the Improvement Team	£75,000	£0	£25,693	£25,693	£0	£25,693	£25,693	£0	£49,307	£34,250
RC068 - Review and re-size staffing in the Overview and Scrutiny Function	£100,000	£0	£0	£0	£0	£0	£0	£0	£100,000	£0
RC071 - Review contract, fleet and secure cost reductions in use of mobile phones.	£114,000	£0	£114,000	£114,000	£0	£114,000	£114,000	£0	£0	£0
RC072 - Review and resize staffing in ICT (includes systems maintenance and development (hardware and software), user support and helpdesk, and corporate network security).	£1,000,000	£0	£508,860	£508,860	£0	£508,860	£508,860	£491,140	£0	£0
RC073 - Review and resize staffing in Revenues and Benefits (council tax and business rates collection and council tax support and housing benefits payments)	£500,000	£0	£103,379	£103,379	£0	£103,379	£103,379	£0	£396,621	£162,258
RC074 - Anticipated cost reductions in Revenues & Benefits arising from improvement of in-house Temporary Accommodation provision.	£1,000,000	£0	£1,000,000	£1,000,000	£0	£1,000,000	£1,000,000	£0	£0	£1,000,000
RC077 - Centralisation and efficiencies of external legal spending.	£100,000	£0	£0	£0	£0	£0	£0	£100,000	£0	£0
RC078 - New model for future delivery of the Council's Out of Hours calls triage and Shrewsbury Town Centre CCTV monitoring	£334,000	£95,420	£0	£95,420	£95,420	£0	£95,420	£79,000	£159,580	£228,420
RC080 - Review and re-size overall council staffing beyond those listed elsewhere.	£8,500,000	£158,937	£624,021	£782,958	£158,937	£624,021	£782,958	£1,349,796	£6,367,246	£1,197,787
RC081 - Senior Management review	£710,000	£0	£298,100	£298,100	£0	£298,100	£298,100	£0	£411,900	£252,000
RC082 - Review and re-size staffing in executive support across the council.	£50,000	£0	£25,242	£25,242	£0	£25,242	£25,242	£0	£24,758	£33,890

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RC083 - Review and secure cost reductions in the pooled training budget	£50,000	£0	£31,610	£31,610	£0	£31,610	£31,610	£0	£18,390	£22,060
RC085 - Reduce Third Party Spend. The proposal is to identify opportunities to reduce third party spend in a sustainable, recurrent way	£1,267,600	£145,750	£1,353,705	£1,499,455	£145,750	£1,353,705	£1,499,455	£0	£-231,855	£0
RC086 - Efficiency Savings across all areas of the Council, including paying attention to securing reduced carbon emissions within the supply chain.	£12,400,000	£0	£0	£0	£0	£0	£0	£0	£12,400,000	£0
SC002 - Review education transport arrangements - changes to policy (mainstream and SEND)	£350,000	£0	£273,000	£273,000	£0	£273,000	£273,000	£77,000	£0	£273,000
SC003 - Review education transport arrangements - changes to efficiency and delivery models (mainstream and SEND)	£650,000	£0	£0	£0	£0	£379,167	£379,167	£270,833	£0	£0
SC004 - Decommission block contract and move to SPOT provision.	£200,000	£0	£200,634	£200,634	£0	£200,634	£200,634	£0	£-634	£200,634
SC005 - Review the development of a solo children's home to enable discussions about a joint funded model with Health. 24/25 and 25/26 only	£400,000	£0	£400,000	£400,000	£0	£400,000	£400,000	£0	£0	£0
SC008 - Review staffing and resize the Empty Homes service	£44,650	£0	£0	£0	£0	£18,604	£18,604	£0	£26,046	£44,650
SC010 - Service efficiencies and increased income from Registrars delivery focus on enhanced venues	£50,000	£0	£0	£0	£0	£0	£0	£50,000	£0	£50,000
SC012 - Reduce from five to three Household Recycling Centres	£14,000	£0	£0	£0	£0	£0	£0	£14,000	£0	£14,000
SC013 - Rationalise property and buildings to secure revenue savings (e.g. utilities, security, repairs and maintenance etc). Use reductions to secure additional capital receipts.	£3,000,000	£0	£0	£0	£0	£0	£0	£0	£3,000,000	£0
SC014 - Review the provision of school crossing patrol service (Schools may opt to pay for the service).	£20,000	£0	£6,000	£6,000	£0	£9,010	£9,010	£0	£10,990	£12,020
SC018 - Review subscription and secure cost reductions in membership of West Midlands Employers	£30,000	£0	£30,000	£30,000	£0	£30,000	£30,000	£0	£0	£0
TO001 - Explore shared emergency planning resource and resilience with partners.	£15,000	£0	£15,000	£15,000	£0	£15,000	£15,000	£0	£0	£15,000
TO002 - Review the use of the UK Shared Prosperity Fund (UKSPF) to maximise grant funding	£60,000	£0	£60,000	£60,000	£0	£60,000	£60,000	£0	£0	£60,000
TO003 - Review the use of external grant funding for preventative SEND services across the People Directorate.	£50,000	£0	£50,000	£50,000	£0	£50,000	£50,000	£0	£0	£50,000
TO004 - Review funding arrangements and contributions from external sources to higher cost placements	£500,000	£500,000	£0	£500,000	£500,000	£0	£500,000	£0	£0	£0
TO006 - Limit access to the Housing Register for a fixed period to focus upon priority need cases.	£100,000	£0	£0	£0	£0	£0	£0	£100,000	£0	£0
Total	£62,479,970	£1,817,107	£16,191,418	£18,008,525	£4,858,082	£24,924,311	£29,782,393	£3,758,493	£28,939,084	£26,246,311

Other areas of cost management:

Savings Name	Savings Target	Delivered to Date (One-off)	Delivered to Date (Ongoing)	Delivered to Date Total	Projected Delivery (One-off)	Projected Delivery (Ongoing)	Projected Delivery Total	Indicative Plans in Place	Not Yet Planned	2025/26 Full Year Savings Delivery (Ongoing)
EFF101 - Target Operating Model - staffing budget turnover and wastage increase by 5% (year-end review).	£3,514,980	£914,970	£10,850	£925,820	£914,970	£10,850	£925,820	£0	£2,589,160	£10,850
EFF108 - Application of corporate grants	£2,000,000	£0	£0	£0	£0	£0	£0	£0	£2,000,000	£0
EFF44(b) - Review and negotiate key supplier contracts including the Waste PFI contract to secure cost reductions	£2,000,000	£0	£0	£0	£0	£0	£0	£500,000	£1,500,000	£0
EFF103(b) - Target Operating Model - Transformation partner delivers 4 x end-to-end process reviews yielding £0.5m per project.	£1,229,477	£0	£0	£0	£0	£0	£0	£0	£1,229,477	£0
EFF78 - Review of customer contact teams across the Council - Channel shifting to promote more streamlined and cost-efficient responses.	£1,112,000	£0	£0	£0	£0	£0	£0	£0	£1,112,000	£0
EFF45 - Charge staffing costs to capital budgets where possible and appropriate (capital project support or transformation of revenue services).	£2,019,310	£0	£0	£0	£924,600	£94,710	£1,019,310	£0	£1,000,000	£1,019,310
EFF105 - Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management	£1,403,190	£0	£150,810	£150,810	£87,310	£126,990	£214,300	£325,400	£863,490	£142,870
EFF49 - Removal of budgets for vacant posts (avg. 3%)	£895,870	£0	£81,587	£81,587	£0	£81,587	£81,587	£0	£814,283	£174,660
EFF103(a) - Target Operating Model - Transformation partner delivers 4 x end-to-end process reviews yielding £0.5m per project.	£770,523	£0	£0	£0	£0	£0	£0	£0	£770,523	£0
EFF09 - Removal of budgets for vacant posts (avg. 3%)	£1,247,980	£30,513	£0	£30,513	£656,073	£91,538	£747,610	£0	£500,370	£0
EFF107 - Contract Spend Analysis and Contract Management Review	£250,000	£0	£0	£0	£0	£0	£0	£0	£250,000	£0
MD018 - Stepping stones - Reduce numbers of childcare placements in long-term residential placements, where appropriate	£3,000,000	£0	£1,179,438	£1,179,438	£0	£2,761,649	£2,761,649	£0	£238,351	£1,075,107
EFF44(c) - Reduce from five to three Household Recycling Centres - Anticipated to deliver £0.300m therefore £0.014m included within 2024/25 savings Proposals	£286,000	£0	£0	£0	£0	£138,000	£138,000	£0	£148,000	£79,000
EFF81 - New Operating Model - Charge staffing costs delivering transformation to capital budgets where possible and appropriate (Workforce and Improvement).	£645,222	£0	£518,917	£518,917	£0	£518,917	£518,917	£0	£126,305	£0
EFF87 - Operating Model - Digital County - Reduce/remove uneconomical Service Delivery	£100,000	£0	£0	£0	£0	£0	£0	£0	£100,000	£0
EFF88 - Review of single person discount and housing benefit applications against data warehouse to reduce error and fraud.	£100,000	£0	£0	£0	£0	£0	£0	£0	£100,000	£0
EFF89 - CCTV provision and management - Seek partner funding contributions	£75,000	£0	£0	£0	£0	£0	£0	£0	£75,000	£0
EFF82 - Legal and Governance restructure to include deletion of some vacant posts and the movement of others into transformation	£67,000	£0	£0	£0	£0	£0	£0	£0	£67,000	£0
EFF86 - Contract rebates and spending reductions	£28,000	£0	£0	£0	£0	£0	£0	£0	£28,000	£0
EFF80 - Removal of budgets for vacant posts (avg. 3%)	£717,730	£712,738	£4,990	£717,728	£712,738	£4,990	£717,728	£0	£2	£0
EFF03 - Removal of budgets for vacant posts (avg. 3%)	£61,420	£61,420	£0	£61,420	£61,420	£0	£61,420	£0	£0	£61,420
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.	£162,000	£0	£0	£0	£0	£0	£0	£162,000	£0	£162,000
EFF44(a) - As per the PFI contract - Increased share from the sale of energy and recycles	£2,000,000	£0	£0	£0	£0	£2,000,000	£2,000,000	£0	£0	£2,000,000
EFF83 - New Operating Model - Charge staffing costs to	£57,330	£0	£0	£0	£0	£0	£0	£57,330	£0	£0
Total	£27,526,436	£2,369,641	£3,533,906	£5,903,547	£4,007,111	£8,954,792	£12,961,903	£1,061,319	£13,503,214	£7,837,881

APPENDIX 4

RECONCILIATION OF MONITORING PROJECTIONS TO SAVINGS DELIVERY

Directorate / Service	Q1 Variance to Budget £'000	Savings pressure in 2024/25 * £'000	Ongoing Pressures Identified £'000	Additional Ongoing Savings Identified £'000	One Off Pressures Identified £'000	One Off Savings Identified £'000
Health & Wellbeing						
Public Health	0	0	0	(172)	1,592	(1,420)
Regulatory Services	185	174	0	0	513	(501)
Health & Wellbeing Total	185	174	0	(172)	2,104	(1,921)
People						
Adult Social Care	5,432	4,399	0	0	2,224	(1,191)
Children's Social Care and Safeguarding	6,200	911	4,707	0	4,267	(3,685)
Children's Early Help, Partnerships and Commissioning	(83)	289	0	0	192	(564)
Learning and Skills	1,984	0	0	0	2,144	(159)
Directorate Management	3,773	1,392	2,406	0	0	(24)
People Total	17,306	6,990	7,113	0	8,827	(5,623)
Place						
Commercial Services	7,789	7,198	0	(2,767)	3,358	0
Economy and Place	1,519	959	0	(87)	690	(43)
Highways and Transport	4,247	2,755	1,050	0	442	0
Homes and Communities	1,025	2,398	386	(100)	228	(1,887)
Directorate Management	182	0	57	0	125	0
Place Total	14,763	13,310	1,493	(2,954)	4,843	(1,930)
Resources						
Finance and Technology	2,056	1,634	591	0	152	(321)
Workforce and Improvement	899	1,081	120	0	112	(414)
Legal and Governance	565	341	446	0	168	(390)
Pensions	0	0	0	0	0	0
Directorate Management	1,110	1,838	0	0	186	(914)
Resources Total	4,630	4,894	1,157	0	618	(2,039)
Strategic Management Board						
Chief Executive and PAs	130	166	0	0	0	(36)
Programme Management	138	62	0	0	76	0
Communications and Engagement	170	192	75	0	25	(122)
Strategic Management Board Total	438	420	75	0	101	(158)
Corporate Budgets	6,684	3,151	3,409	0	175	(51)
Council Total	44,007	28,939	13,247	(3,126)	16,668	(11,722)
Estimated impact of Service reviews	(5,500)			(5,500)		
Total after late items	38,507	28,939	13,247	(8,626)	16,668	(11,722)

* The Savings pressure figures include only the savings pressures relating to the new savings approved in the 24/25 budget. Any pressures arising in the demand management savings or the 23/24 savings carried forward will be shown in ongoing or one-off pressures depending on the nature of whether the savings delivery is being delayed on a one off or a recurrent basis.

APPENDIX 5

AMENDMENTS TO ORIGINAL BUDGET 2024/25

£'000	Total	People	Place	Health & Wellbeing	Resources	Strategic Management Board	Corporate
Original Budget as Agreed by Council	261,697	208,154	65,210	349	3,882	186	(16,082)
Structure Changes:							
Quarter 1	0	0	0	0	0	0	0
Virements:							
Quarter 1	0	150	(150)	0	0	0	0
Reallocation of savings target due to movements of Housing Services post budget setting.							
Quarter 1 Revised Budget	261,697	208,304	65,059	349	3,882	186	(16,082)

APPENDIX 6

RESERVES 2024/25

General Fund

The general fund reserve at 31st March 2024 stood at £8.237m, significantly below its optimum desired balance.

The 2024/25 budget strategy included a contribution of £30.584m to the General Fund balance which would then reach £38.820m, which is a safer level given the current profile of financial risks.

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 net spending (or 2%-4% of gross revenue).

In the current financial year, maintenance of our level of GFB appears impossible and it is of great concern that the Council appears to have minimal resilience against any unforeseen variances. This position is under constant review with the aim to forecast a higher retention of GFB before year end.

General Fund	£'000
Balance as at 1 st April 2024	8,237
Budgeted Contribution in 2024/25	30,583
Budgeted General Fund Balance as at 31st March	38,820
2024/25 estimated spending above budget (as projected at Q1) – Post service Review	38,507
Estimated Balance as at 31 March 2025	313

Earmarked Reserves

The council held balances of £28.067m (excluding school balances) in earmarked reserves as at 1st April 2024. 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.

Earmarked Reserves	1 st April 2024	Forecast Net Contribution to/from Reserve	31 st March 2024
	£'000	£'000	£'000
Sums set aside for major schemes, such as capital developments, or to fund major reorganisations	12,274	(1,072)	11,201

Earmarked Reserves	1 st April 2024	Forecast Net Contribution to/from Reserve	31 st March 2024
	£'000	£'000	£'000
Insurance reserves	1,584	(373)	1,211
Reserves of trading and business units	0	0	0
Reserves retained for service departmental use	12,693	(1,514)	11,179
Reserves held for schools	1,516	(93)	1,423
Total	28,067	(3,052)	25,015

APPENDIX 7

PROJECTED CAPITAL PROGRAMME OUTTURN 2024/25 – 2026/27

The capital budget for 2024/25 is continuously being monitored and changed to reflect the nature of capital projects which can be profiled for delivery over several years. In Quarter 1 there has been a net budget increase of £20.617m for 2024/25, compared to the original budget reported in the 2024/25 Budget Book in February 2024. The budget increase is due to reprofiling of £8.936m as a result of the 2023/24 close down, further reprofiling of -£7.541m and virements of £12.670m.

The Housing Revenue Account capital programme accounts for £7.820m of these virements primarily due to an increase of £3.920m in the Major Repairs Programme and grant funding of £3.911m from the Local Authority Housing Fund (LAHF) Round 2 (£2.058m) and the Social Housing Decarbonisation Fund (SHDF) Wave 2 (£1.853m).

The Major Repairs Programme virements identify how ST&RH plans to use the HRA revenue reserve to contribute towards expenditure on planned repairs, energy efficiency schemes and housing development over the coming year. Central to effective long-term planning for the HRA and the housing stock is a robust Property Investment Plan (PIP). Such a plan for Shropshire Council's housing stock has been developed over the past six months outlining the investment needs over a 30-year period to ensure the Council's housing stock meets current and future standards and regulations and to underpin the 30-year business plan that ST&RH has developed on behalf of the HRA. The PIP has been reviewed and validated by Savills and, together with other investment needs identified for the year, underpins the 2024/25 major repairs programme.

The tables below summarise the overall movement, between the budget approved in February and changes up to Quarter 1.

Shropshire Council - Capital Programme 2024/25 - 2026/27**Capital Programme Summary - Quarter 1 2024/25**

Directorate	Initial Budget 2024/25 £	Budget Virements (Quarter 1) £	Revised Budget (Quarter 1) £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2025/26 Revised Budget £	2026/27 Revised Budget £
General Fund										
Health & Wellbeing	0	0	0	0	0	0.00%	0	0	0	0
People	9,025,290	3,240,012	12,265,302	840,438	11,424,864	6.85%	12,265,302	0	10,131,347	5,450,000
Place	79,126,017	8,906,832	88,032,849	11,335,802	76,697,047	12.88%	88,032,849	0	100,427,226	37,734,977
Resources	100,000	0	100,000	1,255	98,745	1.25%	100,000	0	0	0
Total General Fund	88,251,307	12,146,844	100,398,151	12,177,495	88,220,656	12.13%	100,398,151	0	110,558,573	43,184,977
Housing Revenue Account	29,252,974	8,470,234	37,723,208	2,470,809	35,252,399	6.55%	37,723,208	0	13,821,781	9,000,000
Total Approved Budget	117,504,281	20,617,078	138,121,359	14,648,304	123,473,055	10.61%	138,121,359	0	124,380,354	52,184,977

The actual capital expenditure at Quarter 1 is £14.648m, which represents 10.61% of the revised capital budget at Quarter 1, 25% 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 6.85% (budget £12.265m), Place 12.88% (budget £88.033m), Resources 1.25% (budget £0.100m), HRA Major Repairs & New Build Programme 6.55% (budget £37.723m).

Service Area	Initial Budget 2024/25 £	Budget Virements (Quarter 1) £	Revised Budget (Quarter 1) £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2025/26 Revised Budget £	2026/27 Revised Budget £
General Fund										
Health & Wellbeing	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
People	9,025,290	3,240,012	12,265,302	840,438	11,424,864	6.85%	12,265,302	0	10,131,347	5,450,000
Adult Social Care Contracts & Provider Capital	0	0	0	0	0	0.00%	0	0	0	0
Adult Social Care Operations Capital	300,000	389,715	689,715	114,007	575,708	16.53%	689,715	0	0	0
Children's Residential Care Capital	300,000	-574	299,426	10,191	289,235	3.40%	299,426	0	0	0
Non Maintained Schools Capital	750,000	-20,936	729,064	223,809	505,255	30.70%	729,064	0	2,700,000	0
Primary School Capital	2,066,777	1,909,690	3,976,467	352,797	3,623,670	8.87%	3,976,467	0	0	0
Secondary School Capital	27,250	84,454	111,704	34,454	77,250	30.84%	111,704	0	0	0
Special Schools Capital	0	-1,045	-1,045	131	-1,176	-12.52%	-1,045	0	0	0
Unallocated School Capital	5,566,263	-896,037	4,670,226	0	4,670,226	0.00%	4,670,226	0	7,431,347	5,450,000
Primary School Managed Capital	15,000	1,711,204	1,726,204	105,050	1,621,154	6.09%	1,726,204	0	0	0
Secondary School Managed Capital	0	52,971	52,971	0	52,971	0.00%	52,971	0	0	0
Special Schools Managed Capital	0	10,570	10,570	0	10,570	0.00%	10,570	0	0	0
Place Capital - Commercial Services	15,844,144	-4,093,931	11,750,213	1,542,638	10,207,575	13.13%	11,750,213	0	22,147,000	7,800,000
Corporate Landlord Capital	15,844,144	-4,093,931	11,750,213	1,542,638	10,207,575	13.13%	11,750,213	0	22,147,000	7,800,000
Place Capital - Economic Growth	13,636,892	3,271,641	16,908,533	1,616,742	15,291,791	9.56%	16,908,533	0	8,839,430	1,500,000
Broadband Capital	909,632	3,816,657	4,726,289	575,357	4,150,932	12.17%	4,726,289	0	1,579,945	1,500,000
Development Management Capital	121,500	11,682	133,182	56,266	76,916	42.25%	133,182	0	40,500	0
Economic Growth Capital	12,246,020	-1,046,698	11,199,322	298,118	10,901,204	2.66%	11,199,322	0	6,840,112	0
Planning Policy Capital	359,740	490,000	849,740	687,000	162,740	80.85%	849,740	0	378,873	0
Place Capital - Homes & Communities	7,734,498	-25,938	7,708,560	2,233,218	5,475,342	28.84%	7,708,560	0	3,070,998	633,261
Leisure Capital	7,269,718	-271,478	6,998,240	2,133,573	4,864,667	30.34%	6,998,240	0	3,047,303	633,261
Libraries Capital	94,780	40,506	135,286	92,281	43,005	68.21%	135,286	0	23,695	0
Outdoor Partnerships Capital	370,000	230,705	600,705	4,664	596,041	0.78%	600,705	0	0	0
Visitor Economy Capital	0	-25,671	-25,671	2,700	-28,371	-10.52%	-25,671	0	0	0
Place Capital - Infrastructure	37,761,483	6,056,012	43,817,495	3,190,178	40,627,317	7.28%	43,817,495	0	62,220,798	22,350,699
Environment & Transport Capital	0	0	0	0	0	0.00%	0	0	0	0
Highways Capital	37,761,483	6,056,012	43,817,495	3,190,178	40,627,317	7.28%	43,817,495	0	62,220,798	22,350,699
Waste Capital	0	0	0	0	0	0.00%	0	0	0	0
Place Capital - Housing Services	4,149,000	3,699,048	7,848,048	2,763,027	5,085,021	35.21%	7,848,048	0	4,149,000	5,451,017
Housing Services	4,149,000	3,699,048	7,848,048	2,763,027	5,085,021	35.21%	7,848,048	0	4,149,000	5,451,017
Resources	100,000	0	100,000	1,255	98,745	1.25%	100,000	0	0	0
ICT Digital Transformation - CRM Capital	0	0	0	1,255	-1,255	0.00%	0	0	0	0
ICT Digital Transformation - ERP Capital	0	0	0	0	0	0.00%	0	0	0	0
ICT Digital Transformation - Infrastructure & Arc	0	100,000	100,000	0	100,000	0.00%	100,000	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	100,000	-100,000	0	0	0	0.00%	0	0	0	0
Total General Fund	88,251,307	12,146,844	100,398,151	12,187,495	88,210,656	12.13%	100,398,151	0	110,558,573	43,184,977
Housing Revenue Account	29,252,974	8,470,234	37,723,208	2,470,809	35,252,399	6.55%	37,723,208	0	13,821,781	9,000,000
HRA Dwellings Capital	29,252,974	8,470,234	37,723,208	2,470,809	35,252,399	6.55%	37,723,208	0	13,821,781	9,000,000
Total Approved Budget	117,504,281	20,617,078	138,121,359	14,658,304	123,463,055	10.61%	138,121,359	0	124,380,354	52,184,977

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 2024/25 to 2027/28. 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.

	2024/25	2025/26	2026/27	2027/28
Corporate Resources Allocated in Capital Programme	14,343,850	8,893,385	4,100,000	525,346
Capital Programme Ring-fenced receipt requirements	12,383,333	19,860,627	-	-
Transformation activities	23,097,181	-	-	-
Total Commitments	49,824,364	28,754,012	4,100,000	525,346
Capital Receipts in hand/projected:				
Brought Forward in hand	15,175,259	-	32,683,061	-
Generated 2024/25 YTD	755,911	-	-	-
Projected - 'Green'	1,210,134	65,000	65,000	65,000
Total in hand/projected	17,141,303	32,618,061	61,307,073	65,342,073
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	32,683,061	61,372,073	65,407,073	65,867,419
Further Assets Being Considered for Disposal (Amber/Red)	17,636,305	34,995,440	7,500,750	6,523,050

The estimated annual shortfalls are mitigated by the capital receipts surplus position in relation to the Housing Revenue Account (HRA). Analysis of the General Fund and HRA requirement for capital receipts is shown in the tables below.

Totals (General Fund)	2024/25	2025/26	2026/27	2027/28
Corporate Resources Allocated in Capital Programme	12,932,250	8,893,385	4,100,000	525,346
Capital Programme Ring-fenced receipt requirements	11,883,333	10,924,907	-	-
Transformation activities	23,097,181	-	-	-
Total Commitments	47,912,764	19,818,292	4,100,000	525,346
Capital Receipts in hand/projected:				
Brought Forward in hand	3,782,496	-	43,815,613	-
Generated 2024/25 YTD	260,488	-	-	-
Projected - 'Green'	54,167	65,000	65,000	65,000
Total in hand/projected	4,097,151	43,750,613	63,503,905	67,538,905
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	43,815,613	63,568,905	67,603,905	68,064,251
Further Assets Being Considered for Disposal (Amber/Red)	17,636,305	34,995,440	7,500,750	6,523,050

Totals (HRA)	2024/25	2025/26	2026/27	2027/28	2028/29
Corporate Resources Allocated in Capital Programme	1,411,600	-	-	-	-
Capital Programme Ring-fenced receipt requirements	500,000	8,935,720	-	-	-
Transformation activities	-	-	-	-	-
Total Commitments	1,911,600	8,935,720	-	-	-
Capital Receipts in hand/projected:					
Brought Forward in hand	11,392,762	11,132,552	2,196,832	2,196,832	2,196,832
Generated 2024/25 YTD	495,423	-	-	-	-
Projected - 'Green'	1,155,967	-	-	-	-
Total in hand/projected	13,044,152	11,132,552	2,196,832	2,196,832	2,196,832
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	- 11,132,552	- 2,196,832	- 2,196,832	- 2,196,832	- 2,196,832

These tables show that capital receipts for the HRA are in a healthy surplus position over the period, however, there is pressure arising from the capital receipts requirement of the General Fund. With no other changes, this pressure amounts to £68.1m by 2027/28, although the majority falls in the current year.

Part of the driver for the shortfalls identified for the general fund arise from the need to secure urgent transformation of the Council's operations. In doing so, it is expected that both significant cost benefits as well as significant efficiency gains will be secured, both supporting the longer-term sustainability of the Council. The transformation activities requirement in 2024/25 is estimated as £23.097m, including early estimates of £10.800 for the Voluntary Redundancy, £6.097m for transformation projects and £6.200m for the support and capacity from PwC as the Council's Strategic Transformation Partner. These estimates will be reviewed and updated quarterly.

APPENDIX 9

FINANCIAL MANAGEMENT INDICATORS

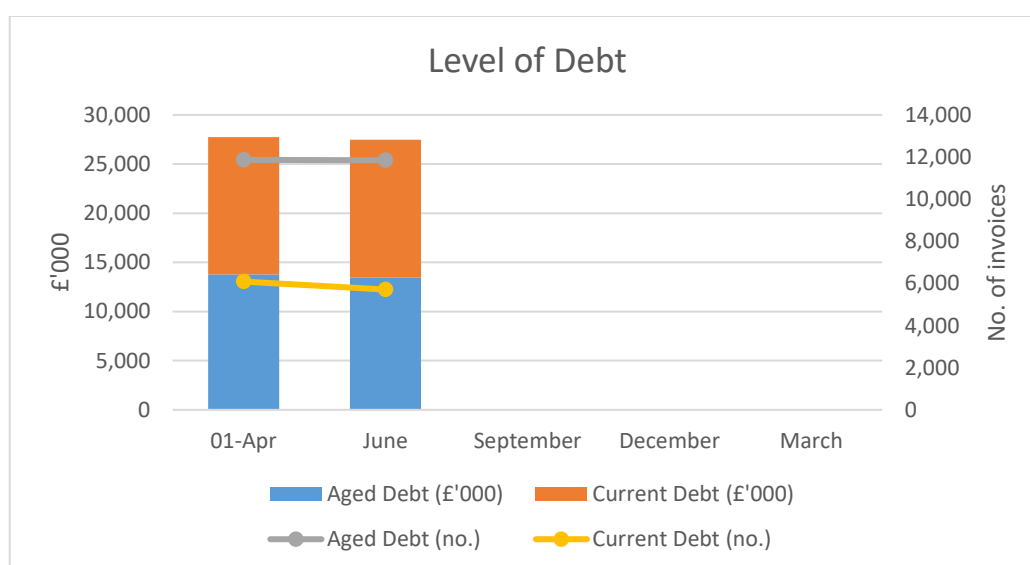
The two financial indicators detailed below will be tracked during the course of the financial year to provide assurance on the Council's financial management processes.

Payment of Invoices

April – June 2024	% of Invoices	No. of invoices
Paid within 30 days	77.51	13,880
Invoices not paid within 30 days	22.49	4,027
Total	100.00	17,907

Aged Debt

As at 30 th June 2024	Value (£'000)	No. of invoices
Aged Debt	13,449	11,846
Current Debt	14,041	5,711
Total	27,490	17,557



The payment of invoices indicator demonstrates that the council is paying 77% of invoices to suppliers within 30 days. This indicator has improved from 2023/24 however there is still progress that could be made. 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.

The value of aged debt has decreased marginally during the first quarter. However, this does remain significantly high and the effects of cost of living are impacting on the level of debt held. A project to improve internal processes to try to prevent debtors converting to aged status is currently taking place across the authority.

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