



Date: Wednesday, 19 November 2025

Time: 10.30 am

Venue: Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury,
Shropshire, SY3 8HQ

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CABINET

TO FOLLOW REPORT (S)

7 Financial Monitoring Report Quarter 2 2025/26 (Pages 1 - 46)

Lead Member – Cllr Roger Evans, Portfolio Holder for Finance

Lead Officer – James Walton, Executive Director (S151 Officer)

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	Committee and Date Transformation & Improvement Scrutiny 17 th November 2025 Cabinet 19 th November 2025	Item Public
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Financial Monitoring Report Quarter 2 2025/26

Responsible Officer:		James Walton, Executive Director (Section 151)	
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Cabinet Member (Portfolio Holder):		Roger Evans, Finance	

1. Synopsis

This report highlights a worsened forecast outturn position of £47.069m, following a detailed review undertaken in October of all financial projections, savings plans and actual spend to date. Additional emergency measures are required, alongside existing actions to ensure the financial survival of the Council in the current year.

2. Executive Summary

- 2.1. This report provides a detailed review of the Council's financial position projected to year end using information as at the 30 September 2025. The projected overspend is forecast to be £47.069m. This report is the second quarterly report of the year and is presented with more information than the monthly reports on the 2025/26 financial position. Later reports in the current year will follow for subsequent quarters, supplemented by interim monthly reports
- 2.2. This report sets out the financial projections across all areas of council activity which demonstrates that the authority could be in an illegal financial position by the year end. A financial emergency was declared on 10 September 2025 and it was recognised that it was unlikely that this would begin to resolve the Council's financial situation before period 6 (Quarter 2).
- 2.3. During October detailed analysis of service expenditure to date and projections to year-end, alongside a review of the draft 2026/27 budget was undertaken with

budget holders and Service Directors. The purpose was to understand in greater detail the mitigating actions being undertaken and to assess the impact of these across the Medium-Term Financial Strategy period. This analysis highlighted the continuing challenges facing a number of services. It also identified gaps in savings delivery resulting from insufficient detailed plans to progress a significant proportion of the required amount for 2025/26. Table 4 provides further detail on this and shows the majority relates to brought forward savings dating back several years. This in turn has contributed to the increased projected overspend for the year.

2.4. The Council is taking decisive action and working closely with the LGA to rectify the current position. This includes:

- A. Declared a financial emergency on 10 September 2025
- B. Implemented an Improvement Board from 10 November, with an independent Chair and Members from all Shropshire Council political groups plus LGA support
- C. Secured LGA funding to provide additional support in benchmarking, Improvement Board support and action planning support.
- D. Implementation of three Operations Boards: Spending Control Board – overseeing all items of expenditure processed through the Council's ERP (financial) system over £500; Workforce Review Board – overseeing all recruitment and staffing activity; Technical Board – overseeing all income and grant funding

2.5. The impact of these actions will be reported back to Cabinet in future Period Monitoring Reports, included within service projections.

2.6. The financial position of the council remains highly challenging. The key overall indicator of financial health for the Council is the General Fund Balance. However, a wide range of factors impact on that value. As such, the overall financial position has been analysed into seven separate areas that underpin the strategic risk "Inability to Contain overall committed Expenditure within the Current Available Resources within this Financial Year".

2.7. This table highlights the uncertainty of the situation and presents a range of possible outcomes summarised in table 1. A description of the 7 risks and the current perspective on these is set out in the table below, supporting the data in table 1.

Table 1 – Forecast as at 30 September showing the Revenue Monitoring central forecast and other possible scenarios

Scenario	Potential variation to budget	Available General Fund Balance	Unfunded Overspend
Favourable	45.401	-34.280	11.121
Central	47.069	-34.280	12.789
Adverse	52.856	-34.280	18.576

2.8. The Council is in active discussions with the Government, via the Ministry for Housing, Communities and Local Government, regarding the need for Exceptional Financial Support for 2025/26 and future years. To address the projected financial risks highlighted in the report and in Table 1 above, a request has been made for

£15m Exceptional Financial Support in-year for 2025/26. Such a value would be sufficient to cover a favourable and central scenario and potentially remove the need for a section 114 Report to be issued.

- 2.9. The emerging practice across local government finance considers that when s114 legislation was created Exceptional Financial Support did not exist to provide an alternative solution. The issuing of a s114 Report is dependent upon the likelihood that a balanced budget cannot be achieved and should consider the likelihood of EFS being provided in-year. At the time of writing this report there is no assurance provided by government as to the position for 2025/26.
- 2.10. In December 2025 the s151 Officer plans to take a report to Cabinet and Council clarifying the Council's overarching financial situation and approach to EFS and s114. This intention is to provide Council Members, staff members, partners and the public with the information they need to consider the Council's ability to deliver a legal budget and a stable financial position into the medium term.

3. Recommendations

- 3.1. It is recommended that Cabinet Members:
- A. Ensure emergency action is continued by all Officers in the second half of the financial year to improve further the Quarter 2 forecast of a projected spend over budget of £47.069m (30th September 2025). Such action should predominantly focus on reducing spend, increasing income, delivering remaining savings and significant mitigating actions to control in-year spending pressures.
 - B. Support the continued use of Operations Boards, which have been in place from August 2025, to challenge all in-year spending, and more recently have been further enhanced to bring greater Service Director scrutiny. Further details to be included in future Finance Monitoring reports.
 - C. Consider the Period 6 position (as at the end of September) forecast indicative level of savings delivery of £21.304m (36%),
 - D. Continue to review the projected General Fund Balance which is forecast to be negative (-£12.789m), indicating a potentially illegal financial position by the end of the financial year if proposed action does not improve this position.
 - E. Continue to support, in light of the Council's current financial position and ongoing engagement with MHCLG, the active discussions regarding Exceptional Financial Support (EFS) are continuing.

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 2025/26 budget and continued focus and action are being put in place to address this.

4.2. Risk table

<i>Risk</i>	<i>Response</i>
Savings delivery is below the targeted level; mitigations to unachieved savings are not secured at reasonable levels. Savings of £59.9m were agreed for the 2025/26 budget including £7.7m new savings, £10.9m of demand management activity in social care, and £41.3m of savings carried forward from 2024/25.	Savings delivery is divided into two main areas of activity – service-led activity and organisational-wide initiatives – each with different approaches. Organisational savings are the bulk of the carried forward savings from 2024/25 and are subject to support from the Project Management Office with further, deeper, initiatives proposed to mitigate shortfalls. 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.
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.	Engagement and action planning through the Leadership Board and Service Director's respective teams will provide mitigation to this risk. This includes visibility and closer scrutiny of all spending decisions in both pay and non-pay areas. Implementation of operations boards to oversee spending and recruitment will help enforce management actions. Increased capacity through investment in staffing resources is required to accelerate initiatives to increase income and reduce expenditure.
Insufficient reserves to cover projected overspending or other deficits	Improved budget preparation process with more analysis of current and future activity trends will help mitigate this risk. 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. 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. The immediate aim is to retain a

	General Fund Balance of at least £5m by year end and then increase within the range of £15m to £30m.
Other unbudgeted risks arise before the end of the financial year	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 risks are exceeding this assessment and cannot be sustained.
Wellbeing, Capacity and Engagement: Staff capacity and/or deterioration of staff wellbeing or engagement impacts delivery of savings in-year	Cost savings must ensure staff wellbeing is not at risk. Reduced and reducing staff numbers, reduced resilience and loss of experience undoubtedly impacts performance and jeopardises financial savings. This can lead to decreased productivity and demotivation, affecting Council operations and financial stability. Evidence suggests the organisation is 'running hot' in several key areas (Payroll, Finance, Legal, Revs and Bens are some but not all).

4.3. The key opportunity is that the reporting period is to the end of September, and this report will be considered in early November by Cabinet. There is therefore time left to take action to secure an improved financial position in the second half of the financial year.

4.4. The Council continues to review 7 key risks around financial pressures, as set out in previous reports. These summarise key areas which could substantially change the overall position of the Council. Table 2 (below) summarises the nature of each risk and the P6 (Q2) view on the position for each, as well as how those might change, both favourably and unfavourably.

Table 2 – Analysis of Three Forecast Scenarios with commentary

Survival factor	MTFS assumption	Period 6			
		Fav	Central	Adv	
1. Savings delivery	Budget and MTFS assume 100% delivery of all savings on a recurrent basis. For 2025/26 a mitigation against in-year optimism bias was included in the GFB calculation at £11.5m (equating to c75% delivery against the 2025/26 target of £59.9m (excluding demand mitigations).	38.571	38.571	41.332	Tracker reds @ 30 Sept are £38.571m of which £34.395m relates to brought forward savings from 2024/25 for which there are not robust delivery plans in place. Potential risk around amber savings that may not be realised in-year (£2.761m).
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.	31.930	31.930	32.958	No more favourable position currently identified. Social Care Demand pressures in Adults and Children's are not managed to available budget. Aim to mitigate against higher overspends in future months. Plus an increased risk of insufficient health contributions towards complex cases in light of Social Care Demand pressures in Adults and Children's are not managed to existing overspend, generating higher overspends in future months. Plus an increased risk of insufficient health contributions towards complex cases in light of
3. Other unbudgeted pressures (-benefits)	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).	-25.100	-23.432	-21.432	Assumes an improvement in one-off savings delivery. No material pressures identified beyond those in the two sections above. Significant one-off savings currently identified offsetting pressures in savings delivery and social care. Use of remaining General Fund Balance. Assumes a deterioration in one-off savings delivery.
Subtotal - Revenue Monitoring Position Q2		45.401	47.069	52.856	
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). Any shortfall in capital receipts generated or increase in transformation costs could cause an additional pressure	8.000	10.000	11.677	Assumes a partial improvement in realising capital receipts in 2025/26. Delays in realisation of capital receipts in 2025/26, suggest a potential shortfall during the year, available to fund transformation activities. Further delays impacting the realisation of capital receipts in 2025/26, suggest a potential shortfall during the year, available to fund transformation activities.
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. The GFB level is set on the basis of being a fund of last resort in the face of such pressures.	0.000	0.000	3.100	Assume no additional cost pressures arise during the financial year. Assume no additional cost pressures arise during the financial year. Other financial risks that may arise including application of specific grants, cost implications of winter pressures and risks involving partner organisations
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. This must be balanced against the risk of increased borrowing requirements in the event of continuing with significantly increased project costs. NWRR is currently paused pending review in light of increasing borrowing requirement of £155m.	0.000	13.495	38.895	Assume no in-year costs arising from project funding withdrawal or reduction. Decision taken to pause NWRR. If Council decide to cancel the scheme, spend to date of £38.895m needs to be accounted for. Central assumption: £20.4m DFT LLMF retained. £4.2m LEP funding for OLR retained. £0.8m other OLR spend retained. Balance £13.495m would need a Capitalisation Direction through EFS to enable write off to revenue. Decision taken to pause NWRR. If Council decide to cancel the scheme, spend to date of £38.895m needs to be accounted for. Adverse assumption: All funding clawed back. All spend would need a Capitalisation Direction through EFS to enable write off to revenue funded from borrowing.
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.	0.000	0.000	2.000	No more favourable position currently identified. Detailed day-to-day cash forecast in place. MJFG (treasury advisors) engaged and advising on externalisation of previous internal borrowing. Clear management with £20m cash buffer. Potential to require further borrowing which creates an additional revenue cost
Total - Risk Assessed Position Q2		53.401	70.564	108.528	

4.5. The Council is in active discussions with the Government regarding the need for Exceptional Financial Support for 2025/26 and future years. To address the projected financial risks highlighted in the report and in Table 1 above, a request has been made for £15m Exceptional Financial Support in-year for 2025/26. Exceptional Financial Support is potentially needed to not only support the projected overspend over and above the available General Fund Balance of £34.280m (up to £15m) but also provide funding towards the projected shortfall of capital receipts (£10m) and funding should the NWRR project be cancelled and funding specific to the project not retained (£39m). A total figure for in-year EFS of £64m has been discussed. At the time of writing, we are awaiting a further discussion with MHCLG to discuss the process for a formal application.

5. Financial Implications

- 5.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):
- scaling down initiatives,
 - changing the scope of activities,
 - delaying implementation of agreed plans, or
 - extending delivery timescales.
- 5.2. Work is also underway to review and re-prioritise the Capital Programme and Capital Strategy, with a view to prioritising those schemes that enable a reduction in expenditure and / or in increase in income. Further details will be provided in future reports to Members.
- 5.3. This report sets out the financial projections for the Council in the 2025/26 Financial Year as at Period 6. 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. Any climate change schemes involving the Council's assets or infrastructure are included within the capital programme. At present this includes the biochar element of the Pyrolysis Scheme. These two elements of spend 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.

8. Forecast Revenue Outturn Position as at Quarter 2

8.1. At Quarter 2 (April 1 – September 30), the Council is reporting a forecast overspend of £47.069m. This forecast is based on the current projections for savings delivery and levels of demand and pressures being catered for that exceed available budgets. While this report provides an update on the in-year position, it is important to reference the work being done alongside this in improvement planning that aims to create a more stable financial position for 2026/27 moving to a sustainable financial position over the coming years.

8.2. Table 3 below summarises the position by service area (see also Appendix 1),

	Revised Budget (£'000)	YTD Actual (£'000)	Projected Outturn (£'000)	(Under)/ Overspend (£'000)	RAGY Classific ation	P5 (Under)/ Overspend	DoT
Service Area							
Care & Wellbeing	132,794	101,404	149,448	16,654	R	17,085	↑
Children & Young People	79,666	114,412	88,395	8,729	R	7,847	↓
Commissioning	41,933	31,226	39,296	(2,637)	Y	(2,932)	↓
Communities & Customer	14,647	8,766	12,257	(2,390)	Y	(2,020)	↑
Enabling	6,059	33,186	9,001	2,942	R	2,567	↓
Executive Management	5,055	704	5,118	63	A	(17)	↓
Team							
Infrastructure	42,419	21,720	42,905	486	A	909	↑
Legal, Governance & Planning	4,826	5,132	4,109	(717)	Y	(752)	↓
Pensions	18	1,768	18	0	G	0	
Strategy	(239)	11,269	60	298	R	327	↑
Service Delivery Budgets	327,179	329,588	350,606	23,428			
Corporate	(38,593)	8,447	(14,951)	23,641	R	15,032	↓
Net Expenditure	288,586	338,035	335,655	47,069		38,046	
Funding							
Council Tax	(219,283)	0	(219,283)	0	G		
Business Rates	(46,683)	0	(46,683)	0	G		
Top Up Grant	(11,025)	(11,025)	(11,025)	0	G		
Revenue Support Grant	(8,668)	(7,887)	(8,668)	0	G		
Collection Fund	(2,927)	0	(2,927)	0	G		
(Surplus)/Deficit							
Total Funding	(288,586)	(18,912)	(288,586)	0			
Total	0	319,123	47,069	47,069			

8.3. The current forecast overspend can be summarised as:

- £38.572m of savings not yet identified or without a clear delivery plan in place. The majority of these savings were brought forward from previous year and were dependent upon a clear transformation plan built around the new operating model. While savings are generally deliverable within service areas, several overarching savings are shown mostly within the 'Corporate' line in the table above. Work to create an Improvement Plan and subsequent Corporate Plan are essential to reconfigure the Council and revise service delivery ambitions to create a sustainable financial position. This will be set out in future Medium Term Financial Strategies.
- £17.651m spend over budget against net purchasing costs within Adult Social Care operations shown within the Care and Wellbeing line as purchasing pressures identified in 2024/25 outturn are continuing. Demand on the service continues to rise as we see increased complexity and cases transferring from health. The service is forecasting (as part of the purchasing costs) to deliver mitigations of (£8.5m) in increased income from

client contributions and Continuing Healthcare joint funded packages. The service is working to mitigate the growing costs from people being transferred from health services to the Local Authority and people that have funded care and fallen below the funding threshold.

- £11.817m spend over budget forecast on External Residential Placements shown within the Children and Young People line. We continue to see similar trends to the last financial year with an increase in number of placements including across the Disabled Children's Team where placement costs are higher due to the needs of the children and young people.
- £2.5m shortfall in savings due to rationalisation of Council assets and property plus Housing Benefit overpayments of £1.6m relating to the lack of temporary accommodation. This is shown within Enabling Services, offset by vacancy savings.

8.4. The Council has implemented a series of Operations Boards focussing on controlling spend within the organisation to help deliver short term financial survival. There are three Operations Boards in place:

- A. Spending Control Board – overseeing all items of expenditure processed through the Council's ERP (financial) system over £500.
- B. Workforce Review Board – overseeing all recruitment and staffing activity
- C. Technical Board – overseeing all income and grant funding

8.5. The Spend Control Board are meeting three times a week, the Workforce Review Board and Technical Board meet weekly/fortnightly. The benefits analysis of each of the Operations Boards is being assessed and will feed into projections shown within future monitoring reports. There are several more detailed meetings, boards or processes that sit below the Operations Boards to inform them. These include Commissioning and Procurement Boards and Adults and Children's Forums.

8.6. Emergency action is necessary to deliver reduced projected spend, increased income and greater mitigation against demand pressures, and the Leadership Board of the Council are actively pursuing options to deliver this where possible in the remaining months of the year.

9. Income

9.1. The revenue budget is funded by £478.421m of income including specific government grants and other service income. 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 service area, 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 September is that the Council anticipates delivery of 36% of targeted savings for the year. This is shown in table 4 below.

10.2. Table 4 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 2025/26 budget (£7.721m). These are to be cashable and recurrent to avoid a savings challenge being carried forward to future years.
- Demand management initiatives approved in the 2025/26 budget (£10.989m). 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 carried forward from 2024/25 budget as they had not been delivered on an ongoing basis (£41.116m), and which were therefore required to be delivered in base budget from 2025/26 onwards.

Table 4 – Summary of savings delivery forecast at 30 September

Analysis by Savings Origin	Savings target	30 September Forecast Delivery	30 September Forecast Delivery
	£'000	£'000	%
New savings approved for 2025/26 budget	7,721	5,612	73%
Demand management initiatives in the 2025/26 budget	10,989	8,921	81%
Savings carried forward from 2024/25 to be delivered on an ongoing basis	41,166	6,771	16%
Total	59,876	21,304	36%

10.3. Table 4 shows that the anticipated level of delivery by year end, across all savings headings, is 36% as at 30 September. This compares with 52% secured in the last financial year. The key reason for this is twofold:

- Many of the brought forward savings from 2024/25 were transformation related and required plans to be developed in summer 2025 to reconfigure the Council around the new operating model following the implementation of a new senior leadership team from March 2025.
- New savings were identified within service areas, and the minimal amount identified (at £7.7m) reflects the fact that remaining options have been exhausted. Put another way, the easier to achieve savings have all been taken, reinforcing the need for longer-term, structural transformation to deliver the majority of the brought forward savings.

The outcome of these two factors is that delivery of the brought forward savings is now considered unachievable within the remainder of the financial year.

11. Reserves

11.1. The Council holds earmarked reserves and a general reserve referred to as the General Fund Balance (GFB). Earmarked reserves are held for a specific purpose and cannot, generally, be used to cover the impact of overspends or non-delivery of savings proposals.

11.2. The 2024/25 year ended with a General Fund Balance (GFB) of £4.825m, which was brought forward into the new year. The 2025/26 budget included a contribution of £29.455m to the GFB. The total on hand in this reserve at the

beginning of the year was therefore £34.280m. This was considered a safe level given the profile of financial risks as anticipated when the budget was set by Council in February and before the final outturn position for 2024/25 was established, at a significantly deteriorated position. As the current year is progressing, maintenance of our level of GFB appears, currently, impossible and it is of great concern that the Council has minimal resilience against any unforeseen variances. This was established at Period 4 and has deteriorated further as at Period 6. The GFB would be exhausted and if projections are borne out, and the authority would be in an illegal financial position. This position is under constant review with the aim to retain a higher GFB of at least £5m before year end. This is shown in the table below, and in Appendix 5.

- 11.3. Considering the Council's difficult financial position, and current GFB projections, conversations continue to be held with Ministry for Housing, Communities and Local Government (MHCLG) to discuss and consider the Council's short term financial viability and potential requirements for Exceptional Financial Support (EFS). The approach is to maintain open dialogue with MHCLG, including the intention to submit a provisional EFS request, as advised by the LGA and in line with best practice for authorities facing significant financial risk. Updates on EFS discussions and any related actions will be included in future monitoring reports, to maintain transparency and oversight of the Council's financial resilience strategy.

Table 5: General Fund Balance

General Fund	£'000
Balance as at 1 st April 2025	4,825
Budgeted Contribution 2025/26	29,455
Budgeted General Fund Balance as at 31st March	34,280
Projected overspend (central projection as at quarter 2)	(47,069)
Estimated Balance as at 31 March 2026	(12,789)
Requested Revenue Overspend Exceptional Financial Support	15,000
Potential Balance as at 31 March 2026	2,211

12. Capital

- 12.1. The current capital programme and actual spend is detailed in Table 6 below, including updated projections on financing of the programme. Further detail is provided in Appendix 6.

Table 6: Projected Capital Programme Outturn

Service Area	2025/26 Revised Capital Programme (£'000)	2025/26 Actual Spend (£'000)	2025/26 % of Budgeted Spend %	2026/27 Capital Programme (£'000)	2027/28 Capital Programme (£'000)
Care & Wellbeing	417	146	35.13	0	0
Children & Young People	10,364	2,093	20.19	21,278	7,453
Commissioning	2,616	1,394	53.29	1,450	1,075
Communities & Customer	7,169	5,322	74.24	7,209	7,155

Enabling Infrastructure	17,696	1,803	10.19	12,552	5,479
Legal & Governance	55,912	11,877	21.24	31,712	23,657
Strategy	661	275	41.54	150	200
	3,163	3,576	113.06	6,300	
Total	97,998	26,486	27.03	80,652	45,020
Housing Revenue Account	21,901	9,658	44.10	28,666	13,700
Total Capital Programme	119,899	36,144	30.15	109,318	58,720
Financed By*:					
Borrowing	(24,119)			(27,004)	(9,412)
Government Grants	(67,949)			(58,968)	(40,362)
Other Grants	(504)			(12)	0
Other Contributions	(3,897)			(7,750)	(1,419)
Revenue Contributions	(1,479)			(347)	0
Major Repairs Allowances	(6,911)			(5,000)	(5,000)
Capital Receipts	(15,040)			(10,238)	(2,527)
Total Financing	(119,899)			(109,318)	(58,720)

*Actual financing of the capital programme is determined at closedown

- 12.2. Capital schemes within the capital programme are not only continually monitored in terms of current year actual expenditure against budget but also in terms of scheme forecast outturn compared to budget and scheme delivery against profile. At Quarter 2 forecast outturn against budget and scheme delivery against profile for schemes in the approved capital programme are within acceptable limits.
- 12.3. 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 7 summarises the current capital receipt position and highlights both opportunities to secure receipts and the risk of increased revenue costs in future years.
- 12.4. The capital receipt projections for 2025-26 include a significant requirement of £13.512m to fund the Council's transformational activities. This projection includes initial estimates of £3.875m for the continuing Voluntary Redundancy Programme, £5.600m for transformation projects and £4.037m for previously committed spend with the Council's Strategic Transformation Partner (PwC). 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.

13. Housing Revenue Account

- 13.1. At Quarter 2 (Period 6), the HRA is projecting a minor overspend of £0.939m (4% of gross budget) due to a marginal shortfall in dwellings rents due to delays in development schemes and increases in supplies and services costs. The overspend will be carefully monitored during the remainder of the year and action taken to reduce this, however any residual overspend will be financed through the HRA reserve.

14. Dedicated Schools Grant

- 14.1. The overall 2025-26 outturn against centrally retained DSG is forecast to be £19.323m in deficit as at the end of September 2025. It should be noted that this figure is the in-year deficit and needs to be added to the £17.566m revised deficit carried forward from 2024-25 in order to give an overall cumulative DSG deficit position of £36.888m. This figure is currently managed through a Statutory Override agreed nationally by government for DSG deficits through to March 2028.
- 14.2. In 2025/26, Shropshire continues to face many of the same budget pressures as other Councils, with sustained high numbers of new requests for EHCPs combined with the ongoing duties for children and young people with existing EHCPs. There are three main areas of spend over budget namely;
- an increase in "top-up" funding to mainstream schools,
 - increases to state-funded special school funding through a recent review of top-up funding banding levels, and
 - further growth in children and young people placed with Independent Providers.

With the increased funding levels to mainstream schools and state-funded special schools, the Council is striving to minimise the increase in demand in the independent sector by building capacity in our mainstream settings through investing in SEND Hubs attached to mainstream schools and increasing top-up funding to our state-funded Special Schools; Severndale School, Woodlands School and Keystone School. These strategies are proving successful as whilst spend on Independent Providers remains over budget, the rate of increase has slowed from a 64% increase during 2023/24 to a 31% increase during 2024/25 and a 21% forecast increase in 2025/26.

15. Financial Management

- 15.1. Financial Management of the Council's resources is undertaken in several ways including;
- Revenue and Capital strategy and budget development.
 - In year financial monitoring, as set out in this report.
 - Review of financial controls and processes and the internal control environment which forms part of the annual Internal Audit plan.
 - External audit review
 - The Council's Statement of Accounts
 - Section 25 report of the S151 Officer
 - Benchmarking including review of the CIPFA Financial Resilience Index
 - Performance indicators including Treasury Management Indicators and other key measures.
- 15.2. 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.

- 15.3. 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.
- 15.4. Another key indicator of financial management is the level of aged debt that the Council is managing. These indicators are tracked over the course of the financial year to monitor progress. The indicators as at Quarter 2 are detailed in Appendix 8.

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

Financial Strategy 2025/26 – 2029/30 – Council, 27 February 2025

Financial Monitoring Report Quarter 1 2025/26 – Cabinet, 10th September 2025

Financial Rules

Local Member: All

Appendices

Appendix 1A – 2025/26 Detailed Projected Revenue Outturn by Service

Appendix 1B – 2025/26 Projected Revenue Outturn by Service – Movement from Period 5

Appendix 1C – 2025/26 Projected Revenue Outturn by Portfolio Holder

Appendix 2 – 2025/26 Income Projections

Appendix 3 – Delivery of 2025/26 Savings Proposals

Appendix 4 – Amendments to Original Budget 2025/26

Appendix 5 – Reserves 2025/26

Appendix 6 – Projected Capital Programme Outturn 2025/26 – 2027/28

Appendix 7 – Projected Capital Receipts

Appendix 8 – Financial Management Indicators

APPENDIX 1A

2025/26 DETAILED PROJECTED REVENUE OUTTURN BY SERVICE

Service Area	Controllable Budget £'000	YTD Actual £'000	Forecast Outturn £'000	Forecast Variance £'000	RAGY
Care & Wellbeing	132,794	101,404	149,448	16,654	R
Children & Young People	79,666	114,412	88,395	8,729	R
Commissioning	41,933	31,226	39,296	(2,637)	Y
Communities & Customer	14,647	8,766	12,257	(2,390)	Y
Corporate Budgets	(38,593)	8,447	(12,951)	23,641	R
Enabling	6,059	33,186	9,001	2,942	R
Executive Management Team	5,055	704	5,118	63	A
Infrastructure	42,419	21,720	42,905	486	A
Legal & Governance	4,826	5,132	4,109	(717)	Y
Pensions	18	1,768	18	0	G
Strategy	(239)	11,269	60	298	R
Council Total	288,586	338,035	337,655	47,069	

Service Area Summary

Care & Wellbeing	Portfolio Holder	Budget	YTD Actuals	Outturn	Variance	RAGY	Period 6 Narrative - variance to Budget
Adult Social Care Management	Social Care	941,530	507,720	570,341	(371,189)	Y	• (£0.335m) capitalisation of posts
Adult Social Care Provider Services	Social Care	5,102,540	4,483,679	4,774,843	(327,697)	Y	• £0.248m Glenview costs previously purchase expenditure • (£0.124m) spend below budget on salaries due to vacant posts in START team • (£0.163m) additional income Four Rivers Nursing Home • (£0.300m) capitalisation of posts

Adult Social Care Operations	Social Care	126,255,080	100,163,607	143,450,474	17,195,394	R	• £17.651m purchasing pressure made up of: - £14.257m SPOT purchasing - £7.248m Residential care due to an increased number of capital reductions, £3.357m increase in spend on Individual Service Funds due to an increase in domiciliary care at home and £5.268m Nursing due to increased complexity and Continuing Healthcare cases transferring from health to local authority, an underspend of (£1.261m) in Other Spot purchasing reduction in spend forecast, (£0.130m) spend under budget on forecast children turning 18. - £12.245m BLOCK purchasing increase in spend over budget on supported living and supported living Individual Service Funds due to an increase in complexity of care and provider market challenges around capacity and uplifts - £0.848m Reablement increase in spend over budget, a budget virement reallocation of the Better Care Fund to address this - (£8.507m) increase income from client contributions and Continuing Healthcare joint funded packages. Despite income increasing from Continuing Healthcare, this has not offset pressures in increasing transfers of people from health services to the Local Authority. • £0.588m reduction in forecasted income against telecare charging project. This has been offset by an overachievement in the saving relating to Partnership working, shown in the SPOT purchasing figures above. • (£0.917m) spend below budget on salaries due to vacant posts
Professional Development Unit	Social Care	212,740	111,941	211,493	(1,247)	Y	• Minor variance to budget as at Period 6
Care & Wellbeing Projects	Social Care	(7,080)	(4,524,182)	(114,670)	(107,590)	Y	• (£0.108m) Additional Better Care Fund allocation
Enable	Social Care	289,580	661,262	555,911	266,331	R	• £0.187m Savings to be identified
Total Care & Wellbeing		132,794,390	101,404,027	149,448,392	16,654,002		
Children & Young People	Portfolio Holder	Budget	YTD Actuals	Outturn	Variance	RAGY	Period 6 Narrative - variance to Budget
Shire Services	Finance	0	253,153	(4,947)	(4,947)	Y	• Minor variance to budget as at Period 6
Learning and Skills	Children & Education	5,071,780	64,925,605	4,692,477	(379,303)	Y	• £0.080m forecast spend over budget relates to the fully-traded Schools Library Service • (£0.022m) relates to Academy conversion income from schools exceeding expenditure • (£0.039m) forecast spend under budget relates to ongoing pension compensation payments relating to former teaching staff • (£0.061m) relating to the capitalisation of a post as a

							- one-off working on transformational projects within Learning & Skills Business Support • (£0.155m) savings across the Education Access service as a result of traded income exceeding costs • (£0.182m) one-off efficiencies across both staffing and non-staffing budgets within Learning & Skills Business Support.
Children & Young People Management	Children & Education	213,280	108,518	217,382	4,102	G	• Minor variance to budget as at Period 6
Children's Social Care and Safeguarding	Social Care	23,057,090	14,222,498	25,519,269	2,462,179	R	Purchasing pressures identified in the 2024/25 outturn are continuing into 2025/26 including: • £1.162m spend over budget forecast on staffing budgets across the service. The majority of this relates to Agency Social Workers covering vacancies, but in 2025/26 there is another budget pressure resulting from additional staffing implemented following the Ofsted Staff Improvement plan. £0.105m of this variance relates to Social Worker Retention Payments • £1.023m forecast spend over budget relates to Disabled Children's budget area with £0.732m of the value explained by Disabled Children's Team (DCT) prevention and Support payments, £0.275m explained by spend over budget on DCT Short Breaks Contracts and a further £0.016m relates to Disabled Children's Direct Payments. • £0.438m forecast spend over budget relates to Adoption Services. There is a £0.412m spend over budget on Adoption Allowances, the remaining variance relates to the Together4Children (T4C) permanency hub where the percentage contribution from other another Local Authority has reduced in 2025/26. • £0.076m forecast spend over budget relates to taxi costs or other transport related costs across the Social Work teams. • (£0.237m) forecast spend under budget relates Public Law Outline Support packages which includes legal fees, and other court ordered expenditure such as medical assessments
Children's Placements	Social Care	48,880,800.00	32,786,320.38	56,053,495.55	7,172,695.55	R	• £11.817m spend over budget forecast on External Residential Placements. £8.598m is an increase in External Residential Spot/Framework placements (19% increase between 31/3/25 and 30/9/25) leading to an increase in expenditure in 2025/26. £2.224m relates to the Disabled Children's Team residential expenditure budget where we have had 5 new high-cost placements since January. The remaining £0.995m of this £11.817m

							pressure relates to the budget expectations for contributions from other partners towards joint funded social care led residential placements. • £0.169m spend over budget forecast on Supported Accommodation or Supported Lodgings Placements for 16-18 year olds. • (£0.448m) spend under budget against Internal Residential Children's Homes due to Devonian being temporarily closed until 2026. • There is a credit of (£1.617m) relating to the capitalisation of posts as a one-off working on transformational projects (Stepping Stones Project). • (£2.767m) forecast spend under budget relates to Fostering placements budgets (£2.516m External Fostering and £0.251m Internal Fostering) where the expenditure growth has not been as high as budgeted for in the 2025/26 growth modelling
Children's Early Help	Health	1,775,850	1,838,912	1,381,614	(394,236)	Y	• (£0.394m) spend under budget against Early Help staffing and non-staffing budgets, as well as the maximisation of grants in this area.
Youth Support Services	Deputy Leader & Communities	667,240	276,960	535,288	(131,952)	Y	• (£0.132m) forecast under spend against budget on Youth Support Team due to temporary vacancy management savings.
Total Children & Young People		79,666,040	114,411,966	88,394,579	8,728,539		
Commissioning	Portfolio Holder	Budget	YTD Actuals	Outturn	Variance	RAGY	Period 6 Narrative - variance to Budget
Adult Social Care Business Support	Social Care	4,351,870	2,580,748	4,163,042	(188,828)	Y	• (£0.140m) Spend under budget in relation to Payments to contractors • (£0.049m) Spend under budget on staffing costs
Bereavement Services	Health	(251,360)	(8,959)	(280,698)	(29,338)	Y	• Minor variance to budget as at Period 6
Leisure	Housing & Leisure	1,734,150	1,153,414	2,348,680	614,530	R	• £0.520m related to Savings Targets unachieved • £0.154m Contract Tender Support in relation to leisure facilities. • £0.121m Temporary Closure Market Drayton Pool • £0.100m other minor works across leisure Facilities • (£0.280m) Spend under budget on Utility costs
Waste Management	Highways & Environment	34,796,020	26,255,043	31,980,078	(2,815,942)	Y	• £0.600m shortfall on Green Waste Income due to no price increase in 25-26 • £0.196m shortfall on PFI Grant income • (£2.615m) Contract Savings as a result of lower than budgeted inflationary increases • (£1.000m) Additional Energy Share contribution through Annual Reconciliation
Insurance	Finance	0	474,778	(25,810)	(25,810)	Y	• Minor variance to budget as at Period 6

Commissioning Development and Procurement	Finance	133,190	146,234	(16,096)	(149,286)	Y	• (£0.130m) Spend under budget on staff salaries • (£0.019m) minor one-off efficiencies across supplies and services budgets
Housing Development and HRA	Housing & Leisure	35,550	6,344	34,833	(718)	Y	• Minor variance to budget as at Period 6
Armed Forces Support	Housing & Leisure	8,990	8,825	7,577	(1,413)	Y	• Minor variance to budget as at Period 6
Community Services	Social Care	462,180	275,699	469,721	7,541	G	• Minor variance to budget as at Period 6
Quality Assurance & Independent Review Unit	Social Care	471,590	255,710	463,741	(7,849)	Y	• Minor variance to budget as at Period 6
Child Placement Service	Social Care	190,820	77,890	150,772	(40,048)	Y	• Minor variance to budget as at Period 6
Total Commissioning		41,933,000	31,225,725	39,295,839	(2,637,161)		
Communities & Customer	Portfolio Holder	Budget	YTD Actuals	Outturn	Variance	RAGY	Period 6 Narrative - variance to Budget
Housing Services	Housing & Leisure	3,964,420	5,468,437	4,147,935	183,515	R	• £0.394m Activity higher than budget for Temporary Accommodation – additional TA in house units opening November to reduce B & B spend. • £0.130m Additional compliance work to meet housing regulations • (£0.216m) Spend under budget in relation to Salaries • (£0.124m) Spend under budget in relation to Contractor costs
Regulatory Services	Health	1,860,500	1,180,365	1,261,590	(598,910)	Y	• (£0.040m) spend under budget in relation to vacancy management • (£0.059m) savings through management charges regarding grant funded activity • (£0.500m) savings due to additional substitutions from Public Health
Business and Consumer Protection	Health	2,171,840	694,872	1,682,967	(488,873)	Y	• £0.488m payroll savings through the Voluntary Redundancy programme and vacancy management
Ring Fenced Public Health Services 2	Health	1,214,340	543,243	1,214,340	0	Y	• No variance to budget at Period 6
Culture, Leisure & Tourism Development	Housing & Leisure	61,120	6,850	23,355	(37,765)	Y	• Minor variance to budget as at Period 6
Libraries	Housing & Leisure	3,268,690	1,431,758	3,287,448	18,758	G	• Minor variance to budget as at Period 6
Museums and Archives	Housing & Leisure	1,129,960	526,892	879,169	(250,791)	Y	• (£0.178m) additional museum support grant income
Theatre Services	Housing & Leisure	221,200	(2,879,414)	(392,097)	(613,297)	Y	• (£0.613m) increased income generation across Theatre Services
Head of Culture, Leisure & Tourism	Housing & Leisure	218,120	744,568	124,884	(93,236)	Y	• Minor variance to budget as at Period 6
Customer Services	Deputy Leader & Communities	536,720	1,048,422	27,513	(509,207)	Y	• (£0.509m) Net Vacancy Management Savings identified across Customer Services budgets
Total Communities & Customer		14,646,910	8,765,993	12,257,105	(2,389,805)		

Corporate Budgets	Portfolio Holder	Budget	YTD Actuals	Outturn	Variance	RAGY	Period 6 Narrative - variance to Budget
Corporate Budgets	Finance	(38,592,720)	8,447,055	(12,951,245)	25,641,475	R	• £28.624m savings currently unachieved, to be reallocated across services. • £2.817m pressures against interest payable relating to borrowing costs. • (£1.644m) release of funds held to cover pay award on review of estimated costs. • (£0.560m) increased income from profit share WME estimates • (£0.997m) interest receivable forecasted above budget • (£2.000m) release of gain share from contract relating to Broadband project • (£2.539m) release of funds held for minimum revenue provision in relation to financing of capital investments
Total Corporate Budgets		(38,592,720)	8,447,055	(12,951,245)	25,641,475		
Enabling	Portfolio Holder	Budget	YTD Actuals	Outturn	Variance	RAGY	Period 6 Narrative - variance to Budget
Assistant Director Commercial Services	Finance	(2,953,540)	0	46,460	3,000,000	R	• £2.500m Asset rationalisation savings target unachieved. • £0.500m forecast for asset rationalisation saving achieved, showing against facilities in corporate landlord.
Corporate Landlord, Property and Development	Finance	3,521,150	5,623,246	3,560,294	39,144	G	• £0.964m Shirehall unrealised saving • (£0.500m) Savings achieved - asset rationalisation • (£0.425m) Savings on Property & Development (Vacancy Management)
Technology	Finance	340,190	7,449,018	(350,586)	(690,776)	Y	• £0.651m relating to savings target showing against management (being met across wider IT teams) • (£0.092m) spend under budget relating to rental costs. • (£0.401m) capitalisation of staff working on transformation activity • (£0.843m) spend under budget relating to the IT restructure which is currently being implemented as part of rightsizing.
Human Resources and Organisational Development	Finance	499,680	1,925,117	293,436	(206,244)	Y	• (£0.363m) net vacancy efficiencies across the service. • £0.161m income under budget relating to Service Level Agreement income
Health & Safety	Finance	18,060	239,433	(115,502)	(133,562)	Y	• (£0.144m) spend under budget relating to Voluntary Redundancy programme and vacancy efficiencies.
Finance	Finance	2,264,720	2,069,903	1,557,880	(706,840)	Y	• (£0.698m) spend under budget against vacancy management and Voluntary Redundancy programme
Revenues and Benefits	Finance	2,327,880	15,490,490	3,985,045	1,657,165	R	• £1.100m relating to income not to be achieved against overpayments recovery of Housing Benefits, unrealistic when compared to last year's actuals • £1.065m savings target from previous financial year of

							£1m achieving £0.935m relating to anticipated cost reductions arising from improvement of in-house Temporary Accommodation provision, additional savings target in current financial year unachievable. • (£0.507m) relating to spend under budget against vacancy management and Voluntary Redundancy programme
Personal Assistants	Finance	40,710	389,070	24,202	(16,508)	Y	• Minor variance to budget as at Period 6
Total Enabling		6,058,850	33,186,278	9,001,230	2,942,380		
Executive Management Team	Portfolio Holder	Budget	YTD Actuals	Outturn	Variance	RAGY	Period 6 Narrative - variance to Budget
Executive Management Team	Leader	5,055,300	704,031	5,118,123	62,823	A	• Minor variance to budget as at Period 6
Total Executive Management Team		5,055,300	704,031	5,118,123	62,823		
Infrastructure	Portfolio Holder	Budget	YTD Actuals	Outturn	Variance	RAGY	Period 6 Narrative - variance to Budget
Assistant Director Economy & Place	Transport & Economic Growth	0	115,861	0	0	G	• No variance to budget as at Period 6
Partnerships & Economic Development	Transport & Economic Growth	1,567,090	1,893,891	1,476,814	(90,276)	Y	• Minor variance to budget as at Period 6
Highways & Transport	Highways & Environment	12,065,680	4,103,873	13,653,389	1,587,709	R	• £1.335m shortfall on Parking Income, reduced in year due to increases implemented from 3 November 2025 • £0.970m shortfall of Highways staff capitalisation & repair gangs under review • £0.240m Overspend relating to Ash Die back • £0.215m Additional Kier overheads partly offset by efficiency savings • (£1.004m) additional Streetworks Income • (£0.169m) Spend under budget on Street Lighting
Shropshire Hills National Landscape	Housing & Leisure	55,720	426,991	55,720	0	Y	• No variance to budget as at Period 6
Outdoor Partnerships	Housing & Leisure	979,730	438,047	1,121,777	142,047	R	• £0.151m unachieved savings target
Assistant Director Infrastructure	Highways & Environment	(562,590)	142,734	21,732	584,322	R	• £0.500m unachieved savings target • £0.084m other minor variances (incl. additional costs from AD Economy & Place)
Highway Policy & Strategic Infrastructure	Highways & Environment	1,731,840	1,063,094	1,675,407	(56,433)	Y	• Minor variance to budget as at Period 6
Assistant Director Homes and Communities	Housing & Leisure	0	8,788	8,953	8,953	G	• Minor variance to budget as at Period 6
Public Transport	Highways & Environment	7,023,830	4,795,957	4,324,765	(2,699,065)	Y	• (£2.516m) Additional DFT Grant draw down • (£0.183m) savings on concessionary travel
Care & Wellbeing Transport	Social Care	1,422,420	742,859	1,444,920	22,500	G	• Minor variance to budget as at Period 6

Home to School Transport	Highways & Environment	18,135,200	7,988,004	19,121,124	985,924	R	• £1.585m additional SEND transport costs • (£0.600m) Savings on Primary & Secondary Travel
Total Infrastructure		42,418,920	21,720,098	42,904,600	485,680		
Legal & Governance	Portfolio Holder	Budget	YTD Actuals	Outturn	Variance	RAGY	Period 6 Narrative - variance to Budget
Registrars and Coroners	Health	592,510	303,822	531,271	(61,239)	Y	• Minor variance to budget as at Period 6
Planning Services	Planning	313,760	(2,723,392)	111,162	(202,598)	Y	• (£0.091m) Building Control (high level of commercial activity estimated for 2025/26) • (£0.099m) Development Management additional (net) income
Policy and Environment	Planning	1,890,070	1,201,425	1,768,406	(121,664)	Y	• (£0.112m) spend under budget in relation to vacancy management
Democratic Services	Leader	9,620	1,069,793	(64,299)	(73,919)	Y	• Minor variance to budget as at Period 6
Elections	Leader	1,288,110	2,594,326	1,120,915	(167,195)	Y	• (£0.200m) forecast spend lower than budgeted across Council Elections from the current financial year.
Legal Services	Finance	465,880	1,704,136	530,301	64,421	A	• Minor variance to budget as at Period 6
Policy and Governance	Finance	60,040	421,576	(99,728)	(159,768)	Y	• (£0.158m) spend under budget relating to vacancy management
Overview & Scrutiny	Leader	197,230	149,629	241,062	43,832	G	• Minor variance to budget as at Period 6
Feedback and Insights	Leader	8,760	410,724	(30,535)	(39,295)	Y	• Minor variance to budget as at Period 6
Total Legal & Governance		4,825,980	5,132,039	4,108,554	(717,426)		
Pensions	Portfolio Holder	Budget	YTD Actuals	Outturn	Variance	RAGY	Period 6 Narrative - variance to Budget
Pensions	Finance	17,850	1,768,295	17,850	0	G	• No variance to budget as at Period 6
Total Pensions		17,850	1,768,295	17,850	0		
Strategy	Portfolio Holder	Budget	YTD Actuals	Outturn	Variance	RAGY	Period 6 Narrative - variance to Budget
Ring Fenced Public Health Services 1	Health	(1,214,340)	6,115,010	(1,214,340)	0	G	• No variance to budget as at Period 6
Adult Social Care Training	Social Care	366,080	235,105	376,210	10,130	G	• Minor variance to budget as at Period 6
Children & Young People Learning & Development	Children & Education	171,330	95,966	135,176	(36,154)	Y	• Minor variance to budget as at Period 6
Partnerships & Economic Development	Transport & Economic Growth	0	(851,375)	54,053	54,053	A	• No variance to budget as at Period 6
Emergency Planning	Leader	30,710	82,296	68,895	38,185	G	• Minor variance to budget as at Period 6
Broadband	Transport & Economic Growth	99,410	119,407	99,410	0	G	• No variance to budget as at Period 6
Domestic Abuse	Health	16,290	541,206	16,290	0	Y	• No variance to budget as at Period 6
Communications	Deputy Leader & Communities	275,610	354,231	103,053	(172,557)	Y	• (£0.239m) Vacancy Management efficiencies achieved • £0.067m Public Health Grant contributions no longer applicable

Business Improvement: Data, Analysis and Intelligence	Leader	46,790	693,027	148,498	101,708	R	• Minor variance to budget as at Period 6
Risk Management	Finance	(24,570)	48,099	(5,579)	18,991	G	• Minor variance to budget as at Period 6
Commercial Services Business Development	Finance	(67,610)	29,963	(30,723)	36,887	G	• Minor variance to budget as at Period 6
Climate Change	Transport & Economic Growth	(193,730)	9,092	(35,719)	158,011	R	• £0.158m shortfall on Pyrolysis and solar farm Income
Programme Management	Deputy Leader & Communities	255,210	3,797,136	344,418	89,208	A	• £0.089m spend over budget in relation to staffing costs
Total Strategy		(238,820)	11,269,163	59,642	298,462		

APPENDIX 1B

2025/26 Projected Revenue Outturn by Service – Movement from Period 5

Service Area	Forecast Outturn Variance at P5 £'000	Forecast Outturn Variance at Q2 £'000	Movement from P5 to Q2 £'000	Reason for Movement
Care & Wellbeing				
Adult social care management	(347)	(371)	(24)	• Minor variance from Period 5 to Period 6
Adult social care provider services	(763)	(328)	435	• £0.248m Glenview moved to In House provider from purchasing • £0.180m Start Community Reablement project
Adult social care operations	17,980	17,195	(785)	• (£0.728m) reduction in overspend in purchasing this is made up of an increase in forecast expenditure £0.412m in SPOT nursing purchasing, £0.242m increase in college placement projections, £0.212k increase in Reablement offset by additional Client contribution income of (£1.478m) and (£0.303m) Continuing Healthcare contributions
Professional development unit	3	(1)	(4)	• Minor variance from Period 5 to Period 6
Care & wellbeing projects	0	(108)	(108)	• (£0.108m) Additional Better Care Fund allocation
Enable	212	266	54	• (£0.108m) Additional Better Care Fund allocation
Total Care & Wellbeing	17,085	16,654	(431)	
Children & Young People				
Shire Services	13	(5)	(18)	• Minor variance from Period 5 to Period 6
Learning & Skills	(435)	(379)	56	• Minor variance from Period 5 to Period 6
Children & Young People Management	4	4	0	• No variance from Period 5 to Period 6
Children's Social Care & Safeguarding	2,616	2,462	(154)	• £0.094m increase in spend over budget forecast on Adoption Services. £0.075m of which relates to an increase in T4C Central Perm Hub following a review of Agency Adoption Panel Advisor forecast expenditure • (£0.256m) decrease in spend over budget forecast on Disabled Children's budget area. £0.213m relates to DCT Prevention & Support payments and £0.043m relates to Disabled Children's Direct Payments
Children's Placements	6,220	7,173	952	• £1.053m increase in spend over budget forecast on External Residential Placements due to 7 new external residential placements since Period 5 • (£0.091m) decrease in spend over budget forecast on 16-18 Supported Accommodation Placements due to 2 placements ending since Period 5
Children's Early Help	(429)	(394)	35	• Minor variance from Period 5 to Period 6
Youth Support Services	(142)	(132)	10	• Minor variance from Period 5 to Period 6
Total Children & Young People	7,847	8,729	882	
Commissioning				
Adult Social Care Business Support	(223)	(189)	34	• Minor variance from Period 5 to Period 6
Bereavement Services	(16)	(29)	(13)	• Minor variance from Period 5 to Period 6

Service Area	Forecast Outturn Variance at P5 £'000	Forecast Outturn Variance at Q2 £'000	Movement from P5 to Q2 £'000	Reason for Movement
Leisure	428	615	187	• £0.121 Temporary Closure Market Drayton Pool • £0.065m other minor works across leisure Facilities
Waste Management	(2,816)	(2,816)	0	• No variance from Period 5 to Period 6
Insurance	(26)	(26)	0	• No variance from Period 5 to Period 6
Commissioning Development & Procurement	(214)	(149)	65	• £0.060m increase in staffing costs relating to posts in the Procurement team
Housing Development & HRA	0	(1)	(1)	• Minor variance from Period 5 to Period 6
Armed Forces Support	0	(1)	(1)	• Minor variance from Period 5 to Period 6
Community Services	8	7	(1)	• Minor variance from Period 5 to Period 6
Quality Assurance & Independence	(24)	(8)	16	• Minor variance from Period 5 to Period 6
Child Placement Service	(49)	(40)	9	• Minor variance from Period 5 to Period 6
Total Commissioning	(2,392)	(2,637)	295	
Communities & Customer				
Housing Services	396	184	(212)	• (£0.051m) Reduction in Temporary Accommodation forecasts costs • (£0.070m) Reduction in compliance work costs • (£0.067m) Further reductions in forecast salary costs • (£0.024m) Further reductions in contractor costs
Regulatory Services	(607)	(599)	8	• Minor variance from Period 5 to Period 6
Business & Consumer Protection	(472)	(489)	(17)	• Minor variance from Period 5 to Period 6
Ring Fenced Public Health Services	0	0	0	• No variance from Period 5 to Period 6
Culture, Leisure & Tourism Development	(37)	(38)	(1)	• Minor variance from Period 5 to Period 6
Libraries	18	19	1	• Minor variance from Period 5 to Period 6
Museums & Archives	(178)	(251)	(72)	• Minor variance from Period 5 to Period 6
Theatre Services	(562)	(613)	(51)	• Minor variance from Period 5 to Period 6
Head of Culture, Leisure & Tourism	(94)	(93)	1	• Minor variance from Period 5 to Period 6
Customer Services	(483)	(509)	(27)	• Minor variance from Period 5 to Period 6
Total Communities & Customer	(2,020)	(2,390)	(370)	
Corporate Budgets				
Corporate Budgets	15,032	23,641	8,610	• £11.968m movement in relation to savings that have been confirmed as undeliverable in the current financial year, or already assumed across services • (£0.056m) interest receivable forecasted above budget • (£0.090m) increased income from profit share WME estimates • (£0.155m) in relation to projections against our PFI facilities • (£0.221m) release of funded held to cover pay aware on review of estimated costs • (£0.873m) release of funds held for minimum revenue provision in relation to financing of capital investments • (£2.000m) release of gain share from contract relating to Broadband project
Total Corporate Budgets	15,032	23,641	8,610	
Enabling				

Service Area	Forecast Outturn Variance at P5 £'000	Forecast Outturn Variance at Q2 £'000	Movement from P5 to Q2 £'000	Reason for Movement
Corporate Landlord, Property & Development	3,186	3,039	(146)	• Rates rebates within Corporate Landlord
Technology	(1,350)	(691)	659	• £0.775m relating to savings target being assumed across staffing projections across IT • (£0.165m) further vacancy management relating to the IT restructure
Human Resources and Organisational Development	(241)	(206)	35	• Minor variance from Period 5 to Period 6
Health & Safety	(132)	(134)	(1)	• Minor variance from Period 5 to Period 6
Finance	(482)	(707)	(225)	• Further spend under budget relating to vacancy management (£0.225m)
Revenues & Benefits	1,593	1,657	64	• Minor variance from Period 5 to Period 6
Personal Assistants	(5)	(17)	(12)	• Minor variance from Period 5 to Period 6
Total Enabling	2,567	2,942	375	
Executive Management Team				
Executive Management Team	(17)	63	80	• Minor variance from Period 5 to Period 6
Total Executive Management Team	(17)	63	80	
Infrastructure				
Partnerships & Economic Development	64	(90)	(154)	• Costs and projection removed (contra entry showing elsewhere in Infrastructure). Budget virement to clear area undertaken in Period 5
Highways & Transport	2,080	1,588	(493)	• £0.125m reduction in Kier Incentive payments • (£0.400m) additional forecasted Car Parking Income • (0.218m) additional Streetworks Income
Shropshire Hills National Landscaping	0	0	0	• No variance from P5 to P6
Outdoor Partnerships	150	142	(8)	• Minor variance from Period 5 to Period 6
Service Director Infrastructure	401	593	192	• £0.100m increase in unachieved savings target • £0.092m other minor variances (inc additional costs from AD Economy & Place)
Highways Policy & Strategic Infrastructure	(50)	(56)	(6)	• Minor variance from Period 5 to Period 6
Public Transport	(2,719)	(2,699)	20	• Minor variance from Period 5 to Period 6
Care & Wellbeing Transport	19	23	4	• Minor variance from Period 5 to Period 6
Home to School Transport	964	986	22	• Minor variance from Period 5 to Period 6
Total Infrastructure	909	485	(424)	
Legal & Governance				
Registrars & Coroners	(62)	(61)	1	• Minor variance from Period 5 to Period 6
Planning Services	(204)	(203)	2	• Minor variance from Period 5 to Period 6
Policy & Environment	(112)	(122)	(10)	• Minor variance from Period 5 to Period 6
Democratic Services	(64)	(74)	(10)	• Minor variance from Period 5 to Period 6
Elections	(169)	(167)	2	• Minor variance from Period 5 to Period 6
Legal Services	41	64	23	• Minor variance from Period 5 to Period 6
Policy & Governance	(189)	(160)	29	• Minor variance from Period 5 to Period 6

Service Area	Forecast Outturn Variance at P5 £'000	Forecast Outturn Variance at Q2 £'000	Movement from P5 to Q2 £'000	Reason for Movement
Overview & Scrutiny	44	44	0	• No variance from Period 5 to Period 6
Feedback & Insights	(37)	(39)	(2)	• Minor variance from Period 5 to Period 6
Total Legal & Governance	(752)	(717)	35	
Pensions				
Pensions	0	0	0	• No variance from Period 5 to Period 6
Total Pensions	0	0	0	
Strategy				
Ringfenced Public Health Services	0	0	0	• No variance from Period 5 to Period 6
Adult Social Care Training	18	10	(8)	• Minor variance from Period 5 to Period 6
Children & Young People Learning & Development	(36)	(36)	0	• No variance from Period 5 to Period 6
Partnerships & Economic Development	0	0	54	• Minor variance from Period 5 to Period 6
Emergency Planning	45	38	(7)	• Minor variance from Period 5 to Period 6
Broadband	0	0	0	• No variance from Period 5 to Period 6
Domestic Abuse	0	0	0	• No variance from Period 5 to Period 6
Communications	(173)	(172)	1	• Minor variance from Period 5 to Period 6
Business Improvement, Data Analysis & Intelligence	65	102	37	• Minor variance from Period 5 to Period 6
Risk Management	16	19	3	• Minor variance from Period 5 to Period 6
Commercial Services Business Development	(2)	37	39	• Minor variance from Period 5 to Period 6
Climate Change	267	158	(109)	• Improvement in Pyrolysis project income forecast
Programme Management	126	89	(37)	• Minor variance from Period 5 to Period 6
Total Strategy	327	298	(29)	
Anticipated Operations Board	(2,515)	0	2,515	Impact of operations board now reflected within service areas projected spend
Council Total	35,531	47,069	11,538	

Green - variance +/- 1% (or £0.05m if budget less than £5m)

Amber - overspend between 1%-2% (or £0.05m-£0.1m if budget less than £5m)

Red - variance over 2% (or £0.1m if budget less than £5m)

Yellow - underspend more than 1% (or £0.05m if budget less than £5m)

APPENDIX 1C

2025/26 PROJECTED REVENUE OUTTURN BY PORTFOLIO HOLDER

Portfolio Holder	Revised Budget £'000	YTD Actual £'000	Forecast Outturn £'000	Forecast Variance £'000	RAGY
Portfolio Holder Social Care	211,997	152,581	238,090	26,092	R
Portfolio Holder Transport & Economic Growth	1,473	1,287	1,595	122	R
Deputy Leader and Portfolio Holder Communities	1,735	5,477	1,010	(725)	Y
Portfolio Holder Finance, Children & Education	23,592	73,118	24,166	575	R
Portfolio Holder Finance	(31,949)	46,480	(5,585)	26,364	R
Portfolio Holder Housing & Leisure	11,678	7,341	11,648	(29)	Y
Portfolio Holder Health	6,166	11,208	4,593	(1,573)	Y
Portfolio Holder Highways & Environment	55,055	36,361	51,655	(3,399)	Y
Leader of the Council	6,637	5,704	6,603	(34)	Y
Portfolio Holder Planning	2,204	(1,522)	1,880	(324)	Y
Council Total	288,586	338,035	335,655	47,069	

APPENDIX 2

2025/26 INCOME PROJECTIONS

Specific Government Grants

The original revenue budget for 2025/26 included specific Government Grants of £324.274m. The majority of these budgets will be based on known allocations that the Government has announced for Shropshire Council. During the year, however, 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
Care & Wellbeing			
Market Sustainability and Fair Cost Fund	(6,098)	(6,098)	0
Improved Better Care Fund	(1,786)	(1,786)	0
Other Grants	(756)	(757)	(1)
Total Care & Wellbeing	(8,639)	(8,640)	(1)
Children & Young People			
Dedicated Schools Grant	(146,880)	(146,880)	0
Pupil Premium Grant	(6,177)	(6,177)	0
Unaccompanied Asylum Seeking Children Grant	(3,608)	(2,963)	645
Children's and Families Grant	(1,775)	(1,218)	557
Other Grants	(967)	(1,410)	(443)
Total Children & Young People	(159,407)	(158,648)	759
Commissioning			
Extended Producer Responsibility Grant	(5,578)	(5,578)	0
SWP PFI	(3,186)	(2,988)	198
Other Grants	(181)	(358)	(177)
Total Commissioning	(8,945)	(8,924)	21
Communities & Customer			
Homeless Prevention Grant	(1,542)	(1,542)	0
Other Grants	(1,281)	(2,845)	(1,564)
Total Communities & Customer	(2,823)	(4,387)	(1,564)
Corporate Budgets			
Social Care Support Grant	(32,675)	(32,675)	0
Business Rate Retention Scheme – s31 Grant	(21,170)	(21,170)	0
Improved Better Care Fund	(12,668)	(12,668)	0
Household Support Fund	(3,760)	(3,760)	0
Employers NICs	(2,504)	(2,504)	0
New Homes Bonus	(2,034)	(2,034)	0
Other Grants	(1,523)	(1,523)	0
Total Corporate Budgets	(76,334)	(76,334)	0

Government Grants	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Enabling			
Mandatory Rent Allowances: Subsidy	(38,000)	(38,000)	0
Rent Rebates: Subsidy	(8,100)	(8,100)	0
Other Grants	(1,064)	(1,116)	(52)
Total Enabling	(47,164)	(47,216)	(52)
Executive Management Team			
Other Grants	0	(1)	(1)
Total Executive Management Team	0	(1)	(1)
Infrastructure			
UK Shared Prosperity Fund	(2,893)	(3,068)	(175)
Other Grants	(1,792)	(7,249)	(5,457)
Total Infrastructure	(4,685)	(10,317)	(5,632)
Legal, Governance & Planning			
Other Grants	(103)	(87)	16
Total Legal, Governance & Planning	(103)	(87)	16
Strategy			
Public Health Grant	(14,410)	(14,410)	0
Other Grants	(2,851)	(3,044)	(193)
Total Strategy	(17,261)	(17,454)	(193)
Total	(325,362)	(332,009)	(6,647)

Income from Fees and Charges

The forecast income from discretionary sales, fees and charges is showing a projected shortfall, including car park income within Infrastructure, reduced income from Shire Services and income shortfalls in Property as a result of decisions made around building operations. 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
Care & Wellbeing	(3,644)	(3,486)	158
Children & Young People	(9,772)	(9,307)	465
Commissioning	(233)	(295)	(62)
Communities & Customer	(5,489)	(6,371)	(882)
Enabling	(11,785)	(10,174)	1,611
Infrastructure	(6,822)	(6,353)	469
Legal & Governance	(470)	(467)	3
Pensions	(21)	(21)	0
Strategy	(247)	(396)	(149)
Total	(38,483)	(36,870)	1,613

APPENDIX 3

DELIVERY OF 2025/26 SAVINGS PROPOSALS

3.1 Summary

The savings projections for 2025/26 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 September 2025.

Savings Target	Delivered	Projected Delivery	Indicative Plans	Delivery to be Confirmed
£59,876,040	£16,030,183	£18,543,459	£2,761,126	£38,571,456
	% Delivered	% Projected Delivery	% Indicative Plans	% Delivery to be Confirmed
	26.77%	30.97%	4.61%	64.42%

Despite projected delivery and indicative plans being in place for over 41% of the savings identified as at Period 6, several of these may be being achieved through one off means, rather than an ongoing basis. Further work is to be progressed to ensure that savings proposals can be delivered on an ongoing basis in order to reduce any further savings pressures into 2026/27.

Details by individual savings are below.

Individual Savings List 25/26									
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	Delivery to be Confirmed
EFF45 - Charge staffing costs to capital budgets where possible and appropriate (capital project support or transformation of revenue services).	£1,790,350	£1,790,350	£0	£1,790,350	£1,790,350	£0	£1,790,350	£0	-£0
EFF81 - New Operating Model - Charge staffing costs delivering transformation to capital budgets where possible and appropriate (Workforce and Improvement).	£645,220	£468,760	£176,460	£645,220	£468,760	£176,460	£645,220	£0	£0
EFF83 - New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Legal and Democratic).	£57,330	£57,330	£0	£57,330	£57,330	£0	£57,330	£0	£0
EFF84 - New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Finance and IT).	£20,740	£20,740	£0	£20,740	£20,740	£0	£20,740	£0	-£0

Transformation & Improvement Scrutiny 17th November 2025; Cabinet 19th November 2025 – Financial Monitoring
Report Quarter 2

MD001 - Further increase funding of public health reserves to support preventative initiatives at the children's, adults and customer front-door (earliest point of contact). Was included in the 2024/25 budget for one year only and is shown here as being removed.	-£200,000	£0	-£200,000	-£200,000	£0	-£200,000	-£200,000	£0	£0
MD012 - Supported living - Reduce the need for 24 hour provision and increase independence through alternative resources such as technology	£873,190	£0	£345,794	£345,794	£0	£345,794	£345,794	£0	£527,396
MD016 - ASC - nighttime care and support service enabling people to stay at home	£520,000	£0	£0	£0	£0	£0	£0	£250,000	£270,000
MD019 - The council would need to encourage more people to foster across the county	£1,375,000	£0	£1,410,018	£1,410,018	£0	£1,415,064	£1,415,064	£0	-£40,064
MD020 - Stepping Stones	£3,758,000	£0	£1,552,643	£1,552,643	£0	£3,598,885	£3,598,885	£0	£159,115
MD021 - Increase in income from care contributions	£1,000,000	£0	£416,665	£416,665	£0	£416,665	£416,665	£583,335	-£0
MD022 - Increase in in-house provider charges	£60,000	£0	£60,000	£60,000	£0	£60,000	£60,000	£0	£0
MD023 - Partnership working CHC and 117	£650,000	£0	£507,431	£507,431	£0	£507,431	£507,431	£142,569	-£0
MD026 - Shared lives cost avoidance delivered through increase in capacity	£300,000	£0	£111,090	£111,090	£0	£111,088	£111,088	£50,222	£138,690
MD027 - Supporting independence through Reviews (including LDSL/DPs and Tech etc)	£1,610,000	£0	£1,610,000	£1,610,000	£0	£1,610,000	£1,610,000	£0	£0
MD028 - Fee uplift review	£1,500,000	£0	£0	£0	£0	£0	£0	£0	£1,500,000
MD029 - ASC contracts and performance management	£600,000	£0	£600,000	£600,000	£0	£600,000	£600,000	£0	£0
MD030 - Home to school transport - academic days	£178,900	£0	£178,900	£178,900	£0	£178,900	£178,900	£0	£0
NI003 - ASC Telecare	£500,000	£0	£0	£0	£0	£0	£0	£500,000	-£0
NI004 - Expand the Handy Person service to a wider range of customers, including fee payers, supporting independent living	£10,000	£0	£0	£0	£0	£10,000	£10,000	£0	£0
NI006 - Increase income from Museums and Archives services	£100,000	£81,440	£18,560	£100,000	£81,440	£18,560	£100,000	£0	£0
NI007 - Increase income from an enhanced memorial and ceremony offer at Council sites	£10,000	£0	£10,000	£10,000	£0	£10,000	£10,000	£0	£0
NI008 - Increase income from an improved range of wedding and partnership ceremony packages	£2,000	£0	£2,000	£2,000	£0	£2,000	£2,000	£0	£0
PPR0 - Rightsizing	£11,723,400	£0	£0	£0	£0	£0	£0	£0	£11,723,400
PRF&C0 - Income	£3,848,740	£0	£0	£0	£0	£0	£0	£0	£3,848,740
PRR1 - Legal & Governance Resizing	£100,000	£0	£0	£0	£0	£34,680	£34,680	£0	£65,320
PRR2 - Enabling Resizing	£1,256,000	£0	£0	£0	£0	£0	£0	£0	£1,256,000
PRR4 - Children's Rightsizing	£2,000,000	£0	£0	£0	£0	£0	£0	£0	£2,000,000
PRR5 - Infrastructure Resizing	£850,000	£0	£0	£0	£0	£0	£0	£0	£850,000
PRR6 - Care & Wellbeing Rightsizing	£1,300,000	£0	£0	£0	£0	£0	£0	£0	£1,300,000
PRTPS0 - Third Party	£12,991,240	£0	£2,751,842	£2,751,842	£0	£2,751,842	£2,751,842	£0	£10,239,398

RC003 - Further increase allocation of the public health grant to support preventative initiatives at the children's, adults and customer front-door.	£70,000	£0	£70,000	£70,000	£0	£70,000	£70,000	£0	£0
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. This is being removed in 2025/26.	-£1,000,000	£0	-£1,000,000	-£1,000,000	£0	-£1,000,000	-£1,000,000	£0	£0
RC011/19 - Review and right size business support function	£312,500	£0	£312,500	£312,500	£0	£312,500	£312,500	£0	£0
RC016 - Agency Staff - reducing use of agency staff; promote permanent staffing.	£85,000	£0	£0	£0	£0	£0	£0	£0	£85,000
RC025 - Review and resize the Housing Services team	£64,000	£64,000	£0	£64,000	£64,000	£0	£64,000	£0	£0
RC026 - Review and potential reduction of some leisure provision to achieve cost reductions.	£100,000	£0	£70,000	£70,000	£0	£70,000	£70,000	£0	£30,000
RC029 - Review staffing and resize the Rights of Way team	£6,460	£0	£6,460	£6,460	£0	£6,460	£6,460	£0	£0
RC030 - Review staffing and resize the Outdoor Partnerships team	£13,840	£0	£13,840	£13,840	£0	£13,840	£13,840	£0	£0
RC032 - Review Library Services to ensure maximum efficiencies including funding reviews and reshaping/reductions of services	£220,540	£49,340	£151,200	£200,540	£49,340	£151,200	£200,540	£0	£20,000
RC040 - Dispose of Shirehall quicker and relocate services	£1,300,000	£0	£1,005,540	£1,005,540	£0	£1,005,540	£1,005,540	£0	£294,460
RC074 - Anticipated cost reductions in Revenues & Benefits arising from improvement of in-house Temporary Accommodation provision.	£1,000,000	£0	£0	£0	£0	£0	£0	£935,000	£65,000
RC078 - New model for future delivery of the Council's Out of Hours calls triage and Shrewsbury Town Centre CCTV monitoring	£47,310	£0	£30,000	£30,000	£17,310	£30,000	£47,310	£0	£0
RC083 - Review and secure cost reductions in the pooled training budget	£17,270	£0	£17,270	£17,270	£0	£17,270	£17,270	£0	£0
RC087 - DSG funding of SEND pressures	£500,000	£0	£500,000	£500,000	£0	£500,000	£500,000	£0	-£0
RC088 - Increased charges for car parking in Shrewsbury and Ludlow but retaining Park and Ride Services.	£250,000	£0	£250,000	£250,000	£0	£250,000	£250,000	£0	£0
RC089 - Increased charges for car parking across the County.	£500,000	£0	£0	£0	£0	£0	£0	£0	£500,000
RC090 - Residents' only parking will be enforced for an annual residents fee.	£100,000	£0	£0	£0	£0	£0	£0	£0	£100,000
RC091 - More fixed penalties issued for dog fouling, littering and illegal parking.	£300,000	£0	£0	£0	£0	£0	£0	£300,000	£0
RC092 - Large scale switch off of street lights to reduce energy costs and carbon emissions.	£150,000	£0	£226,000	£226,000	£0	£226,000	£226,000	£0	-£76,000

RC094 - Waste contract efficiencies across the waste service including review of garden waste collection costs and HRC opening times to be delivered through negotiated changes to the contract.	£987,000	£0	£387,000	£387,000	£0	£387,000	£387,000	£0	£600,000
RC096 - Asking other organisations (commercial companies) to manage our leisure centres for us.	£200,000	£0	£0	£0	£0	£0	£0	£0	£200,000
RC097 - Management of green spaces and areas of outstanding natural beauty will be passed to town or parish councils, where they choose to take that on.	£200,000	£0	£200,000	£200,000	£0	£200,000	£200,000	£0	£0
SC002 - Review education transport arrangements - changes to policy and delivery models (mainstream and SEND)	£400,000	£0	£0	£0	£0	£400,000	£400,000	£0	£0
SC008 - Review staffing and resize the Empty Homes service	£47,010	£0	£47,010	£47,010	£0	£47,010	£47,010	£0	£0
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	£500,000	£500,000	£0	£500,000	£500,000	£0	£2,500,000
TO001 - Explore shared emergency planning resource and resilience with partners.	£15,000	£0	£0	£0	£0	£0	£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
TO004 - Review funding arrangements and contributions from external sources to higher cost placements	£500,000	£0	£500,000	£500,000	£0	£500,000	£500,000	£0	-£0
TO009 - Review service synergies to secure cost reductions across Highways, Maintenance, and Outdoors services.	£1,000,000	£0	£600,000	£600,000	£0	£600,000	£600,000	£0	£400,000
Total	£59,876,040	£2,531,960	£13,498,223	£16,030,183	£2,549,270	£15,994,189	£18,543,459	£2,761,126	£38,571,456

APPENDIX 4

AMENDMENTS TO ORIGINAL BUDGET 2025/26

The table below represents the virement and structure changes from 1st April 2025 to 30th June 2025 from the first Quarter, represented in the original structure of the Council.

£'000	Total	People	Place	Health & Wellbeing	Resources	Strategic Management Board	Corporate
Original Budget as Agreed by Council	288,586	253,376	55,146	9,097	4,771	871	(34,676)
Structure Changes:							
Quarter 1	0	0	0	0	0	0	0
Virements:							
Quarter 1	0	10,099	8,002	393	6,451	579	(25,524)
Creation of Corporate Landlord budget for new facility	0	(29)	29				
Pooling of organisation-wide savings targets for reallocation	0	10,128	7,973	393	6,451	579	(25,524)
Quarter 1 Revised Budget	288,586	263,475	63,148	9,490	11,222	1,450	(60,200)

Council wide structure changes were implemented in July 2025 and these are shown below, represented in the new structure.

£'000												
	Total	Care & Wellbeing	Children & Young People	Commissioning	Communities & Customer	Corporate	Enabling	Executive Management Team	Infrastructure	Legal & Governance	Pensions	Strategy
Original Budget as Agreed by Council	288,586											
Quarter 1 Virements:	0	0	0	0	0	(25,524)	0	0	0	0	9	0
Quarter 2 Structure Changes:		136,476	90,668	42,807	16,817	0	6,828	5,361	43,669	5,847	0	86
Wholesale Council Restructure implemented July 2025	136,476	90,668	42,807	16,817	0	6,828	5,361	43,669	5,847	0	86	86
Budget remaining in original structure areas						(34,676)					219	
Virements:	0	(292)	117	(161)	(138)	656	(248)	(201)	68	0	0	198
Historic Assistant Director Economy & Place to Strategy	0								(70)			70
Historic Assistant Director Homes & Communities to Housing	0				18				(18)			
Savings achievement between service area and targets in Corporate	0	(175)		(21)		656	(120)	(201)	(140)			
Reallocation of Budget & Public Health Substitution Saving	0			(140)	(156)				296			
Young Carers	0	(117)	117									
Move post to postholder	0						(128)					128
Quarter 2 Revised Budget	288,586	136,184	90,785	42,646	16,678	(59,544)	6,580	5,160	43,737	5,847	228	285

APPENDIX 5

RESERVES 2025/26

General Fund

The general fund reserve at 31st March 2025 stood at £4.825m, significantly below its optimum desired balance.

The 2025/26 budget strategy included a contribution of £29.455m to the General Fund balance which would then reach £34.280m, 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 Adequacy of Reserves assessment within the Financial Strategy approved by Council in February 2025, the Council identified potential high risk areas that the General Fund may need to contribute to in 2025/26. £9m of this related to Social Care, and the current P2 position has highlighted a projected pressure in this area, therefore it is anticipated that this will need to be released. Also £11.5m was earmarked for potential non delivery of savings based on historical levels of non-achievement. Given the projected position on savings, this balance is anticipated to be required for 2025/26.

As the current year is progressing, maintenance of our level of GFB appears, currently, impossible and it is of great concern that the Council has minimal resilience against any unforeseen variances. This position is under constant review with the aim to retain a higher GFB of at least £5m before year end, however given the size of the projected overspend it is unlikely to be the case.

General Fund	£'000
Balance as at 1 st April 2025	4,825
Budgeted Contribution in 2025/26	29,455
Budgeted General Fund Balance as at 31st March	34,280
Projected Overspend as at Q2	(47,069)
Estimated Balance as at 31 March 2026	(12,789)

Earmarked Reserves

The council held balances of £25.455m (excluding school balances) in earmarked reserves as at 1st April 2025. There are several 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	1st April 2025	Forecast Net Contribution to/from Reserve	31st March 2026
	£'000	£'000	£'000
Sums set aside for major schemes, such as capital developments, or to fund major reorganisations	4,904	(991)	3,913
Insurance reserves	1,450	(233)	1,217
Reserves of trading and business units	0	0	0
Reserves retained for service departmental use	10,844	2,443	13,287
Reserves held for schools	8,257	0	8,257
Total	25,455	1,219	26,674

APPENDIX 6

PROJECTED CAPITAL PROGRAMME OUTTURN 2025/26 – 2027/28

The capital budget for 2025/26 is continuously being monitored and changed to reflect the nature of capital projects which can be profiled for delivery over several years. In Quarter 2 there has been a net budget decrease of £0.875m for 2025/26, compared to the revised budget reported at Quarter 1. This budget increase is entirely due to virements.

Virements in Quarter 2 arose due to grant award notifications of £0.639m (Shropshire Hills AONB £0.348m, River Severn Advanced Wireless Innovation Region £0.270m, Promoting Trees Outside Woodlands £0.026m and Schools DFC -£0.005m), revenue contribution of £0.150m and a grant budget correction of -£0.021m for a LUF 2 scheme, allocation of Highways Maintenance grant of £0.010m for the acquisition of Fleet Transport equipment, private sector contribution of £0.004m for Heritage Assets Acquisitions and a new part CIL funded scheme of £0.093m (CIL £0.078m and private sector contribution £0.015m) for a pedestrian crossing upgrade.

The tables below summarise the overall movement, between the budget approved in February and changes up to Quarter 2.

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Service Area	Revised Budget Quarter 1 £	Budget Virements Quarter 2 £	Revised Budget Quarter 2 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2026/27 Revised Budget £	2027/28 Revised Budget £
General Fund										
Care & Wellbeing Capital	414,280	2,230	416,510	146,301	270,209	35.13%	416,510	0	0	0
Children & Young People & Children's Social Care (CSC)	10,369,268	(4,981)	10,364,287	2,092,723	8,271,564	20.19%	10,364,287	0	21,278,294	7,452,676
Commissioning Capital	2,616,305	0	2,616,305	1,394,220	1,222,085	53.29%	2,616,305	0	1,450,000	1,075,000
Communities & Customer Capital	7,164,176	4,500	7,168,676	5,322,339	1,846,337	74.24%	7,168,676	0	7,209,483	7,154,651
Enabling Capital	16,029,974	(32,230)	15,997,744	1,803,269	14,194,475	11.27%	15,997,744	0	12,551,930	5,479,479
Infrastructure Capital	50,441,740	720,978	51,162,718	11,876,567	39,286,151	23.21%	51,162,718	0	31,712,476	23,657,485
Legal & Governance Capital	635,605	25,533	661,138	274,633	386,505	41.54%	661,138	0	150,000	200,346
Strategy Capital	9,451,616	158,949	9,610,565	3,576,213	6,034,352	37.21%	9,610,565	0	6,300,000	0
Total General Fund	97,122,964	874,979	97,997,943	26,486,264	71,511,679	27.03%	97,997,943	0	80,652,183	45,019,637
Housing Revenue Account	21,901,048	0	21,901,048	9,657,664	12,243,384	44.10%	21,901,048	0	28,666,079	13,700,001
Total Approved Budget	119,024,012	874,979	119,898,991	36,143,928	83,755,063	30.15%	119,898,991	0	109,318,262	58,719,638

The actual capital expenditure at Quarter 2 is £36.144, which represents 30.15% of the revised capital budget at Quarter 2, 50% of the year. This is slightly low in comparison to the total budget, but in line with the average expenditure percentage at this period in previous years. All budgets are fully allocated to projects and will be monitored for levels of spend throughout the remainder of the year. Based on recent years, the capital programme has out turned at around 85% of the outturn budget, which on average has been around 20% lower than the budget at this point in the year, due to further re-profiling later in the year.

The level of spend is slightly low across the programme in some areas, but equal to the level of spend in the previous year at this period. In terms of the major areas the spend position is as follows: Care & Wellbeing 35.13% (budget £0.416m), Children & Young People 20.19% (budget £10.364m), Commissioning 53.29% (budget £2.616m), Communities & Customer 74.24% (budget £7.169m), Enabling 11.27% (budget £15.998m), Infrastructure 23.21% (budget £51.163m), Legal & Governance 41.54% (budget £0.661m), Strategy 37.21% (budget £9.611m) and HRA Major Repairs & New Build Programme 44.10% (budget £21.901m).

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Service Area	Revised Budget Quarter 1 £	Budget Virements Quarter 2 £	Revised Budget Quarter 2 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2026/27 Revised Budget £	2027/28 Revised Budget £
General Fund										
Care & Wellbeing	414,280	2,230	416,510	146,301	270,209	35.13%	416,510	0	0	0
Adult Social Care Operations Capital	414,280	2,230	416,510	146,301	270,209	35.13%	416,510	0	0	0
Children & Young People & Children's Social Care (CSC)	10,369,268	-4,981	10,364,287	2,092,723	8,271,564	20.19%	10,364,287	0	21,278,294	7,452,676
Children's Residential Care Capital	240,428	0	240,428	484	239,944	0.20%	240,428	0	0	0
Non Maintained Schools Capital	2,667,621	442,290	3,109,911	748,542	2,361,369	24.07%	3,109,911	0	0	0
Primary School Capital	3,228,295	242,670	3,470,965	1,042,824	2,428,141	30.04%	3,470,965	0	800,000	0
Primary School Managed Capital	1,277,435	-26,275	1,251,160	265,653	985,507	21.23%	1,251,160	0	0	0
Secondary School Capital	782	0	782	0	782	0.00%	782	0	0	0
Secondary School Managed Capital	58,236	0	58,236	0	58,236	0.00%	58,236	0	0	0
Shropshire Music Service Capital	105,727	0	105,727	32,883	72,844	31.10%	105,727	0	11,748	0
Special Schools Capital	13,303	9,978	23,281	2,337	20,944	10.04%	23,281	0	0	0
Special Schools Managed Capital	8,354	0	8,354	0	8,354	0.00%	8,354	0	0	0
Unallocated School Capital	2,769,087	-673,644	2,095,443	0	2,095,443	0.00%	2,095,443	0	20,466,546	7,452,676
Commissioning	2,616,305	0	2,616,305	1,394,220	1,222,085	53.29%	2,616,305	0	1,450,000	1,075,000
Leisure Capital	2,616,305	0	2,616,305	1,394,220	1,222,085	53.29%	2,616,305	0	1,450,000	750,000
Waste Capital	0	0	0	0	0	0.00%	0	0	0	325,000
Communities & Customer	7,164,176	4,500	7,168,676	5,322,339	1,846,337	74.24%	7,168,676	0	7,209,483	7,154,651
Community Hubs & Libraries Capital	279,189	0	279,189	7,404	271,785	2.65%	279,189	0	0	0
Housing Services Capital	6,886,791	0	6,886,791	5,305,957	1,580,834	77.05%	6,886,791	0	7,209,483	7,154,651
Museums & Archives Capital	-1,804	4,500	2,696	8,978	-6,282	332.99%	2,696	0	0	0
Theatre Services Capital	0	0	0	0	0	0.00%	0	0	0	0
Enabling	16,029,974	-32,230	15,997,744	1,803,269	14,194,475	11.27%	15,997,744	0	12,551,930	5,479,479
ICT Infrastructure Capital	0	0	0	0	0	0.00%	0	0	0	0
Property & Asset Capital	16,029,974	-32,230	15,997,744	1,803,269	14,194,475	11.27%	15,997,744	0	12,551,930	5,479,479
Infrastructure	50,441,740	720,978	51,162,718	11,876,567	39,286,151	23.21%	51,162,718	0	31,712,476	23,657,485
Broadband Capital	2,928,067	269,743	3,197,810	544,124	2,653,686	17.02%	3,197,810	0	2,000,000	1,420,485
Environment and Transport (Public Transport) Capital	1,398,474	0	1,398,474	0	1,398,474	0.00%	1,398,474	0	0	0
Highways - Central Area Division Capital	100,000	165,000	265,000	0	265,000	0.00%	265,000	0	0	0
Highways - Flood Defence & Water Management Capital	2,457,419	0	2,457,419	486,527	1,970,892	19.80%	2,457,419	0	1,233,804	0
Highways - Integrated Transport Capital	7,070,031	93,000	7,163,031	628,173	6,534,858	8.77%	7,163,031	0	1,638,000	1,638,000
Highways - North West Relief Road (NWRR)	0	0	0	303,110	-303,110	0.00%	0	0	0	0
Highways - Northern Area Division Capital	100,000	165,000	265,000	11,066	253,934	4.18%	265,000	0	0	0
Highways - Oxon Relief Road (OLR)	0	0	0	0	0	0.00%	0	0	6,127,973	0
Highways - Southern Area Division Capital	100,000	265,000	365,000	-8,844	373,844	-2.42%	365,000	0	0	0
Highways - Street Lighting Capital	600,000	530,000	1,130,000	458,208	671,792	40.55%	1,130,000	0	0	0
Highways - Structural Maintenance of Bridges Capital	2,650,406	23,579	2,673,985	-39,486	2,713,471	-1.48%	2,673,985	0	0	0
Highways - Structural Maintenance of Roads Capital	32,415,112	-1,138,579	31,276,533	9,291,096	21,985,437	29.71%	31,276,533	0	20,712,699	20,599,000
National Landscapes and Outdoor Partnerships Capital	622,231	348,235	970,466	202,593	767,873	20.88%	970,466	0	0	0
Legal & Governance	635,605	25,533	661,138	274,633	386,505	41.54%	661,138	0	150,000	200,346
Development Management Capital	118,992	25,533	144,525	64,633	79,892	44.72%	144,525	0	0	0
Planning Policy Capital	516,613	0	516,613	210,000	306,613	40.65%	516,613	0	150,000	200,346
Strategy	9,451,616	158,949	9,610,565	3,576,213	6,034,352	37.21%	9,610,565	0	6,300,000	0
Climate Change Capital	1,697,865	0	1,697,865	1,504,525	193,340	88.61%	1,697,865	0	1,300,000	0
Communications and Engagement Capital	76,029	30,000	106,029	76,029	30,000	71.71%	106,029	0	0	0
Growth & Development Capital	7,677,722	128,949	7,806,671	1,995,658	5,811,013	25.56%	7,806,671	0	5,000,000	0
Transformation Capital	0	0	0	0	0	0.00%	0	0	0	0
Total General Fund	97,122,964	874,979	97,997,943	26,486,264	71,511,679	27.03%	97,997,943	0	80,652,183	45,019,637
Housing Revenue Account	21,901,048	0	21,901,048	9,657,664	12,243,384	44.10%	21,901,048	0	28,666,079	13,700,001
HRA Dwellings Capital	21,901,048	0	21,901,048	9,657,664	12,243,384	44.10%	21,901,048	0	28,666,079	13,700,001
Total Approved Budget	119,024,012	874,979	119,898,991	36,143,928	83,755,063	30.15%	119,898,991	0	109,318,262	58,719,638

APPENDIX 7

PROJECTED CAPITAL RECEIPTS

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 2025/26 to 2028/29. 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.

	2025/26	2026/27	2027/28	2028/29
Corporate Resources Allocated in Capital Programme	15,039,973.67	10,237,814	2,527,267	-
Capital Programme Ring-fenced receipt requirements	12,553,913	2,622,928	1,554,000	-
Transformation activities	13,511,873	-	-	-
Total Commitments	41,105,759	12,860,742	4,081,267	-
Capital Receipts in hand/projected:				
Brought Forward in hand	24,432,326	- 8,363,988	- 21,159,730	- 25,175,997
Generated 2025/26 YTD	2,161,363	-	-	-
Projected - 'Green'	6,148,082	65,000	65,000	-
Total in hand/projected	32,741,771	- 8,298,988	- 21,094,730	- 25,175,997
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	8,363,988	21,159,730	25,175,997	25,175,997
Further Assets Being Considered for Disposal (Amber/Red)	16,978,721	23,724,750	8,931,170	-

In 2025/26 there is currently a projected shortfall of capital receipts of £8.364m and in 2026/27, 2027/28 and 2028/29 there are currently projected cumulative shortfalls of capital receipts of £21.160m, £25.176m and £25.176m respectively.

These shortfalls 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.

General Fund	2025/26	2026/27	2027/28	2028/29
Corporate Resources Allocated in Capital Programme	14,062,064	9,016,494	2,527,267	-
Capital Programme Ring-fenced receipt requirements	171,244	2,622,928	1,554,000	-
Transformation activities	13,511,873	-	-	-
Total Commitments	27,745,180	11,639,422	4,081,267	-
Capital Receipts in hand/projected:				
Brought Forward in hand	10,992,861	- 11,677,056	- 23,251,478	- 27,267,745
Generated 2025/26 YTD	1,839,763	-	-	-
Projected - 'Green'	3,235,500	65,000	65,000	-
Total in hand/projected	16,068,124	- 11,612,056	- 23,186,478	- 27,267,745
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	11,677,056.13	23,251,478	27,267,745	27,267,745
Further Assets Being Considered for Disposal (Amber/Red)	16,978,721	23,724,750	8,931,170	-

HRA	2025/26	2026/27	2027/28	2028/29
Corporate Resources Allocated in Capital Programme	977,910	1,221,320	-	-
Capital Programme Ring-fenced receipt requirements	12,382,670	-	-	-
Transformation activities				
Total Commitments	13,360,579	1,221,320	-	-
Capital Receipts in hand/projected:				
Brought Forward in hand	13,439,465	3,313,068	2,091,748	2,091,748
Generated 2025/26 YTD	321,600	-	-	-
Projected - 'Green'	2,912,582	-	-	-
Total in hand/projected	16,673,647	3,313,068	2,091,748	2,091,748
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	- 3,313,067.85	- 2,091,748	- 2,091,748	- 2,091,748
Further Assets Being Considered for Disposal (Amber/Red)	-	-	-	-

These tables demonstrate that capital receipts for the HRA are in a comparatively healthy surplus position over the period, however, there is significant pressure arising from the capital receipts requirement of the General Fund. In 2025/26, 2026/27, 2027/28 and 2028/29 there are currently projected cumulative shortfalls of capital receipts of £11.677m, £23.251m, £27.268m and £27.268m respectively.

The General Fund capital receipts projections for 2025/26 include a significant requirement of £13.512m to fund the Council's transformational activities. This projection includes initial estimates of £3.875m for the continuing Voluntary Redundancy Programme, £5.600m for transformation projects and £4.037m for the Council's Strategic Transformation Partner. These estimates will be refined on an ongoing basis as further details on actual costs are determined.

Assets currently being considered for disposal total £49.635m which if realised will be more than sufficient to resolve the currently projected shortfall in capital receipts peaking at £27.268m in 2027/28. Of these disposals £14.941m and £34.694m are currently RAG rated "Amber" and "Red" respectively, meaning that they are either achievable but challenging or highly unlikely to complete within the relevant financial years.

It should be noted that capital receipts categorised as "Red" include the disposal of assets which are currently being reviewed by the Administration in conjunction with officers, the outcome of which could significantly affect the capital receipts position.

The requirement for capital receipts arising from the approved 2025/26 capital programme currently totals £15.040m. Officers are currently reviewing this requirement in order to mitigate the requirement for capital receipts by the capital programme as much as possible by reprofiling and using alternative funding streams. The outcome of this review will be reported later in the year.

Furthermore, finalisation of the Capital Strategy 2025-26 to 2030-31, a key element of which is to determine the Council's priority capital schemes for future years, is highly likely to further increase the requirement for capital receipts funding.

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

APPENDIX 8

FINANCIAL MANAGEMENT INDICATORS

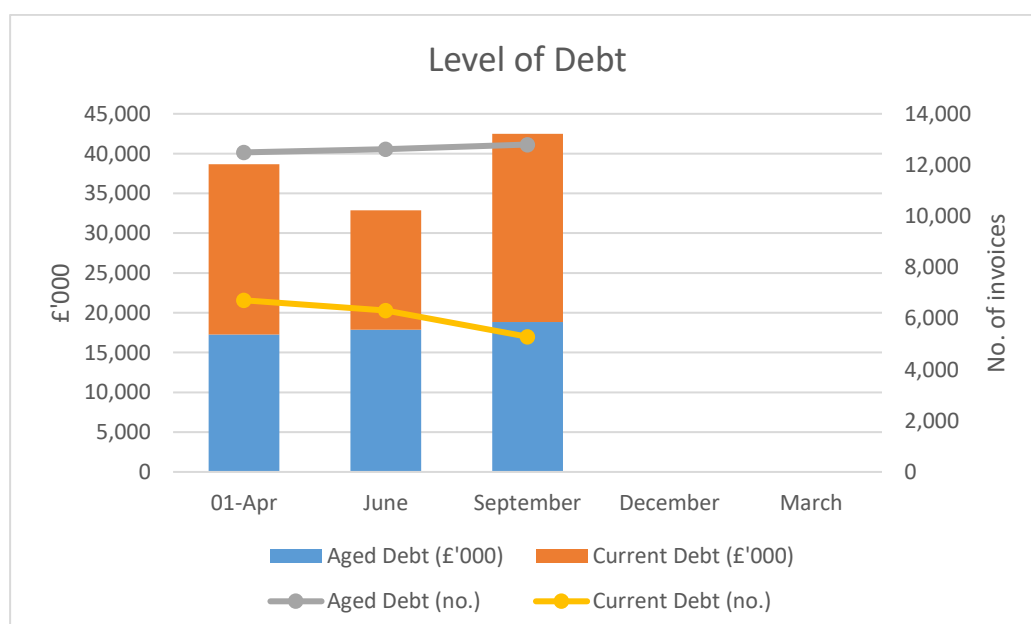
The two financial indicators detailed below will be tracked during the course of the financial year to provide assurance on the Council's financial management processes.

Payment of Invoices

April – September 2025	% of invoices	No. of invoices
Paid within 30 days	79.5	60,856
Invoices not paid within 30 days	20.5	15,719
Total	100	76,575

Aged Debt

As at 30 Sept 2025	Value (£'000)	No. of invoices
Aged Debt	18,827	12,799
Current Debt	23,661	5,286
Total	42,488	18,085



The payment of invoices indicator demonstrates that the council is paying just under 80% of invoices to suppliers within 30 days. This indicator has improved from 2024/25 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 all budget holders and available to the Leadership Board to scrutinise.

The value of aged debt has increased during the second quarter in terms of value and number of invoices. Work continues within the Council to improve internal processes to try

to prevent debtors converting to aged status and improve recovery processes. It should be noted that the value of current debt has also increased significantly during the second quarter, and it is important to ensure that the Council obtains prompt payment for this, otherwise significant debt will be added to the aged debt position.

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