

Shropshire Council  
Legal and Democratic Services  
Guildhall  
Frankwell Quay  
Shrewsbury  
SY3 8HQ

Date: Tuesday, 3 June 2025

**Committee:**  
**Cabinet**

**Date:** Wednesday, 11 June 2025  
**Time:** 10.30 am  
**Venue:** Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury,  
Shropshire, SY3 8HQ

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

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

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

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

Tim Collard Service Director - Legal and Governance

**Members of Cabinet**

Heather Kidd (Leader)  
Bernie Bentick  
Roger Evans  
Andy Hall  
Ruth Houghton  
James Owen  
David Vasmer  
Alex Wagner (Deputy Leader)  
David Walker  
Rob Wilson

Your Committee Officer is:

**Ashley Kendrick** Democratic Services Officer

Tel: 01743 250893

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

# AGENDA

## **1 Apologies for Absence**

## **2 Disclosable Interests**

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

## **3 Minutes (Pages 1 - 6)**

To confirm the minutes of the meeting held on 5 March 2025.

## **4 Public Question Time**

To receive any questions from members of the public, notice of which has been given in accordance with Procedure Rule 14. Deadline for notification is not later than 12 noon on Thursday 5 June 2025.

## **5 Member Question Time**

To receive any questions from Members of the Council. Deadline for notification is not later than 12 noon on Thursday 5 June 2025.

## **6 Scrutiny Items**

## **7 Financial Outturn 2024/25 (Pages 7 - 54)**

Lead Member – Councillor Roger Evans, Portfolio Holder for Finance

Lead Officer – James Walton, Executive Director of Resources

## **8 Treasury Management Update Quarter 4 2024/25 (Pages 55 - 78)**

Lead Member – Councillor Roger Evans, Portfolio Holder for Finance

Lead Officer – James Walton, Executive Director of Resources

## **9 Performance Monitoring Report Quarter 4 2024/25**

Lead Member – Councillor Rob Wilson, Portfolio Holder for Transport and Economic Growth

Lead Officer – Billy Webster, Service Director – Strategy

REPORT TO FOLLOW

**10 Financial Monitoring Period 1 (Pages 79 - 84)**

Lead Member – Councillor Roger Evans, Portfolio Holder for Finance

Lead Officer – James Walton, Executive Director of Resources

**11 Telecare Charging Consultation (Pages 85 - 174)**

Lead Member – Councillor Ruth Houghton, Portfolio Holder for Social Care

Lead Officer – Laura Tyler

**12 Pyrolysis Second Site Increase in Budget**

Lead Member – Councillor Rob Wilson, Portfolio Holder Transport & Economic Growth

Lead Officer – Billy Webster, Service Director – Strategy

REPORT TO FOLLOW

**13 Application by Bayston Hill Parish Council for Bayston Hill Parish to be considered as a Neighbourhood Area (Pages 175 - 184)**

Lead Member – Councillor David Walker, Portfolio Holder for Planning

Lead Officer – Tim Collard

**14 Exclusion of Press and Public**

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

**15 Exempt Minutes (Pages 185 - 186)**

To confirm the exempt minutes of the meeting held on 5 March 2025.

**16 Date of Next Meeting**

To note that the next meeting is scheduled to take place on Wednesday 9 July 2025.

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## Committee and Date

Cabinet

11 June 2025

## **CABINET**

### **Minutes of the meeting held on 5 March 2025**

**In the The Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ  
2.00 pm**

**Responsible Officer:** Ashley Kendrick

Email: [ashley.kendrick@shropshire.gov.uk](mailto:ashley.kendrick@shropshire.gov.uk) Tel: 01743 250893

### **Present**

Councillor Lezley Picton (Chairman)

Councillors Cecilia Motley, Ian Nellins (Deputy Leader), Robert Macey, Gwilym Butler,  
Dean Carroll, Kirstie Hurst-Knight, Mark Jones and Dan Morris

### **270 Apologies for Absence**

Apologies had been received from Councillors Dan Morris and Cecilia Motley, and Tanya Miles, Executive Director (DASS).

### **271 Disclosable Interests**

No interests were declared.

### **272 Minutes**

### **RESOLVED:**

That the minutes of the meeting held on 12 February 2025 be confirmed as a correct record.

### **273 Public Question Time**

Public questions were received from:

Mike Streetly, in relation to the North West Relief Road.

Graham Betts, in relation to planning application 13/03285/FUL.

Phil Gillam, in relation to Oteley Road Dog Bins.

David Macey, in relation to Residents Parking in Listley Street.

The full questions and response provided can be found on [Responses to Public Questions - Cabinet 5.3.25.pdf](#)

## 274 Member Question Time

An urgent question was received from Councillor David Vasmer, in relation to the North West Relief Road.

The full question and response can be found on [Response to Urgent Members Question - Cabinet 5.3.25.pdf](#)

## 275 Scrutiny Items

### a Recommendations - Economy & Environment OSC 14 November 2024

The Chair of the Economy and Environment Overview and Scrutiny Committee presented the recommendations and members agreed their response.

#### **RESOLVED:**

To forward the report to the Economy and Environment Overview and Scrutiny Committee.

## 276 Financial Monitoring Period 10

The Portfolio Holder for Finance, Corporate Resources and Communities introduced the report noting a slight improvement of around £800,000. However, concerns were raised about the Council's management and the use of reserves to reduce the overspend. The Council's failure to achieve budgeted savings was also highlighted.

#### **RESOLVED:**

1. To note that the Period 10 position (as at the end of January) forecasts a projected spend above budget of £34.767m for 2024/25 and indicative savings delivery of £46.642m (51.8%).
2. To note the projected General Fund Balance of £4.054m arising if no further action were taken.

## 277 Housing Strategy

The Portfolio Holder for Housing and Assets presented the draft 2025-2030 Housing Strategy which outlined Shropshire Council's approach to managing and delivering housing responsibilities, highlighting past achievements and current work, and identified future opportunities to meet Shropshire's housing needs. He proposed a 12-week public and stakeholder consultation period to allow for thorough understanding and input.

Support for the strategy was expressed however concerns were raised about the operation of Homepoint and the delivery of affordable housing in rural areas. Members were advised that there was an intention to replace the Homepoint system in the medium to long term and the need for a comprehensive replacement.

The Portfolio Holder highlighted the reduction in households placed in bed and breakfast accommodation and the investments made in temporary accommodation units.

#### **RESOLVED:**

To approve the Draft Housing Strategy 2025-2030, as outlined in Appendix 1, for a twelve-week public and stakeholder consultation period. Cabinet gave their agreement to proceed with the consultation, ensuring that feedback from residents, stakeholders, and partners is incorporated to create a robust and inclusive final document aligned with the Council's priorities.

#### **278 Marches Forward Partnership Proposition**

The Leader and Portfolio Holder for Policy and Strategy, Improvement and Communications presented the report which sought approval for the Marches Proposition, Appendix 1, which set out the vision for the Marches Forward Partnership and established light touch governance arrangements, through establishment of a quarterly Partnership Board. This will enable the partnership to focus delivery on agreed priorities around the environment, health, transport and food production.

A request for intervention from the partnership to address a cross-border issue with school transport was received and it was confirmed that this would be followed up.

#### **RESOLVED:**

That Cabinet agreed to:

1. Approve the 'Marches Proposition', in Appendix 1, as the agreed vision and collective ambition for the Marches Forward Partnership.
2. Take forward the informal governance arrangements, set out within Annex 2 of the Marches Proposition, as a basis for collective delivery and resourcing.

#### **279 Proposed Adoption of the Draft Oswestry Shop Front Design Guide (Standing Pre-Application Advice Note)**

The Portfolio Holder for Planning and Regulatory Services introduced the report which sought approval for Shropshire Council to adopt the final draft of the Oswestry Shop Front Design Guide: Standing Pre-Application Advice Note so that it forms a material consideration when taking planning decisions.

#### **RESOLVED:**

To approve adoption of the Oswestry Shop Front Design Guide: Standing Pre-Application Advice Note (Appendix 2) to provide guidance on application of Local Plan policies and form a material consideration in the planning application process.

#### **280 Leisure Facilities Operating Contract Options**

The Portfolio Holder for Culture and Digital presented the report which recommended transferring the management of Church Stretton Leisure Centre to the Shropshire Community Leisure Trust, under their existing contract. It further recommended delegating authority to negotiate and agree an extension of the lease arrangements at Cleobury

Mortimer and Ludlow Leisure Centres with Teme Leisure. The aim was to improve sustainability and maintain service levels while achieving financial savings.

Members received clarification on the maintenance responsibilities and costs for each party.

The importance of involving local members in the decision-making process and considering rurality in the evaluation of best value was emphasised.

**RESOLVED:**

That Cabinet:

1. Approved the transfer of the operation of Church Stretton Leisure Centre to the Shropshire Community Leisure Trust, subject to legal advice, as part of the existing leisure contract, until 31 July 2027.
2. Delegated responsibility to the Chief Executive, in consultation with the Leader and the Portfolio Holder for Culture and Digital for undertaking necessary due diligence and thereafter finalising negotiations and completing the transfer to the current leisure management contract with Shropshire Community Leisure Trust.
3. Delegated responsibility to the Chief Executive, in consultation with the Leader, the Local Member/s and the Portfolio Holder for Culture and Digital for undertaking necessary due diligence and negotiations to conclude the best value approach for the future operation of the Cleobury Mortimer and Ludlow Leisure Centres, and complete any necessary contractual or lease agreements.

**281 Management Arrangements at Much Wenlock Leisure Centre**

The Portfolio Holder for Culture and Digital presented the report which outlined savings identified within the authority's medium term financial strategy at Much Wenlock Leisure Centre and presented a summary of the recent consultation exercise, with a recommendation for the future management of the facility.

The local member emphasised the community's deep affection for the leisure centre, highlighting its importance as a hub for residents from Much Wenlock and surrounding areas. He noted the positive and constructive discussions with the 3-18 Education Trust and the collaborative efforts of the Town Council and MP Stuart Anderson. It was noted that the consultation revealed opportunities for improvements, such as better maintenance, refurbishment of showers and changing facilities, extended hours, and enhanced community engagement.

The Portfolio Holder assured members that the Council would continue to work closely with the school during the one-year notice period to explore options for capital investment and improvements. He highlighted the commitment to securing the Centre's future and the positive discussions with the school and other stakeholders.

At this point in the discussion, it was **RESOLVED** to go into exempt session to share some additional information under exemption category 3 to inform members' in their decision.

On moving back to open session, it was

**RESOLVED:**

1. That notice is served upon the 3-18 Education Trust by 31st March 2025 of the Council's intention to transfer operational responsibility for Much Wenlock Leisure Centre over to them at the expiry of the year's notice.
2. That the Council continues its engagement in dialogue with the William Brookes School, 3-18 Academy Trust and other key stakeholders to explore options for capital investment to support the shared ambition to retain public use of the Much Wenlock Leisure Centre on expiry of the Council's revenue subsidy, in support of which the Council will seek to secure capital investment funding to assist in ensuring continued public use and the smooth transition to a new operator.

**282 Exclusion of Press and Public**

**RESOLVED:**

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

**283 HRA Purchase of Affordable Homes**

**RESOLVED:**

That Cabinet approved the recommendations as set out in the report.

Signed ..... (Chairman)

Date: .....

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|   |   |        |
|---|---|--------|
|    | <b>Committee and Date</b>   | Item   |
|   | Transformation & Improvement Scrutiny<br>9 <sup>th</sup> June 2025<br>Cabinet<br>11 <sup>th</sup> June 2025<br>Audit Committee 26 June 2026 | Public |
| <div>     </div> |   |        |

## Financial Outturn 2024/25

|   |  |      |              |
|---|--|------|--------------|
| <b>Responsible Officer:</b>               | James Walton   |      |              |
| email:                                    | <a href="mailto:james.walton@shropshire.gov.uk">james.walton@shropshire.gov.uk</a> | Tel: | 01743 258915 |
| <b>Cabinet Member</b> (Portfolio Holder): | Roger Evans, Portfolio Holder Finance  |      |              |

### 1. Synopsis

The report gives a detailed review of Shropshire Council's 2024/25 financial performance. Key issues include Children's Services primarily increased residential placements, savings in Adult Social Care more than offset by demand and inflationary increases and non-delivery of savings in Place and Resources Directorates.

### 2. Executive Summary

2.1. This report provides a detailed review of Shropshire Council 2024/25 financial performance for revenue and capital.

2.2. The key issues for the Council's financial performance in 2024/25 highlighted by this report are summarised below, delivered within the requirements of The Shropshire Plan. The Council has:

**Table 1: 2024/25 Budget Variations by Service Area (£'000)**

| Directorate        | Revised Budget (£'000) | Controllable Outturn (£'000) | (Under)/Overspend (£'000) | (Under)/Overspend (%) | RAGY Classification |
|--------------------|------------------------|------------------------------|---------------------------|-----------------------|---------------------|
| Health & Wellbeing | 5,992                  | 5,503                        | (489)                     |                       | Y                   |
| People             | 214,687                | 245,931                      | 31,244                    |                       | R                   |
| Place              | 51,651                 | 66,722                       | 15,071                    |                       | R                   |

|                                      |                  |                  |               |              |   |
|--------------------------------------|------------------|------------------|---------------|--------------|---|
| Resources                            | 3,782            | 8,463            | 4,681         |              | R |
| Strategic Management Board           | (23)             | 295              | 318           |              | R |
| <b>Service Delivery Budgets</b>      | <b>276,089</b>   | <b>326,914</b>   | <b>50,825</b> | <b>18.4%</b> |   |
| Corporate                            | (14,392)         | (30,987)         | (16,595)      |              | Y |
| <b>Total Net Expenditure</b>         | <b>261,697</b>   | <b>295,927</b>   | <b>34,230</b> | <b>13.1%</b> |   |
| <b>Funded By:</b>                    |                  |                  |               |              |   |
| Council Tax                          | (205,104)        | (205,104)        |               |              |   |
| Business Rates                       | (41,306)         | (41,306)         |               |              |   |
| Top Up Grant                         | (10,925)         | (10,925)         |               |              |   |
| Revenue Support Grant                | (7,974)          | (7,974)          |               |              |   |
| Collection Fund<br>(Surplus)/Deficit | 3,612            | 3,612)           |               |              |   |
| <b>Total Funding</b>                 | <b>(261,697)</b> | <b>(261,697)</b> |               |              |   |
| <b>Net Total Expenditure</b>         | <b>0</b>         | <b>34,230</b>    | <b>34,230</b> | <b>13.1%</b> |   |

### 2.3. The key factors affecting the year end position for overall service delivery were:

- Activity in some areas in Children's Services was higher than anticipated when setting the budget impacting on Children's and other related support services spending over the year. Children services have supported more children to step down from residential care to a family home in 2024/2025 but due to a lack of available and appropriate foster family placements there was a 28% increase in external residential placements since the beginning of the year as well as a shortfall in contributions from other partners towards joint funded social care led placements. Year end movements have been substantial in this regard, with a deterioration of almost £2m (8%)
- Increased demand against Home to School Transport saw an increase in costs at year end of 0.4m (2%). The majority of this increase related to SEND Transport where there has been a significant increase in the number of children with EHC Plans requiring transport. However, it should be noted that costs for Home to School Transport for children and young people without an EHCP account for half of the overall budget.
- Adult Social Care saw a significant movement at year end from that projected at Period 11 of £15m (12%). High demand and inflationary year on year increases have been signalled over the last two years and every effort made to manage this within available budgets. The service has aimed to mitigate growth in year as well as the inflationary increases across the social care market, to support the council's financial position delivering for the second financial year in a row over £17m savings. Change activity across the service has delivered improved outcomes for residents, increased savings and cost avoidance and improvements in service delivery outcomes. This has, however, been more than offset by challenging demand levels, clarified in the year end reconciliation resulting in a significant deterioration from the projected position at Period 11. Together these pressures have resulted in net spend totalling £143m in Adult Social Care operations, an overspend of £17.3m compared to available budget. In 2023/24 £20.5m was allocated from reserves to help manage pressures in Social Care. In 2024/25 a similar release of reserves has been required but this time, rather than applying them against the service area they have been applied corporately. This approach specifically highlights the significant underfunding in this area compared to levels of need and the actual levels of expenditure required, making this fully visible. This should not distract from the enormous efforts of staff to contain demand pressures as far as possible. Pressures in



Adult Services over the financial year have crystallised in outturn figures, including:

- Income levels were down due to the transfer of people from assumed health funding to Local Authority funding.
  - Cost increases in numbers of people in placements due to capital reductions from self-funders.
  - Increased market pressure and complexity for people in Supported Living.
  - Winter pressures becoming visible at a late stage
- Services within the former Place Directorate have seen very little variance at year end due to the nature of the service provision. Nevertheless, significant under delivery against budgeted savings targets have been flagged throughout the year and delivered a year end overspend of £15m.
- Corporate budgets include pension costs, financing budgets, corporate grants and other non-operational grants. Year end reconciliations of Treasury Management activity and certain Section 31 grants often deliver a surplus at year end, although this cannot be relied upon and is therefore unbudgeted. The outturn position has shown a substantial improvement compared to period 11 in Treasury management, section 31 grants relating to business rates retention and spending against equipment budgets. These demonstrate a £5m improvement at year end.
- Although there is a degree of netting off in the year end position across the Council, the bottom line has deteriorated to the extent that a review of earmarked reserves was necessary (as reflected in Appendix 8). The development reserve, partially decommitted (£8.6m) due to the application of the Capitalisation Directive made available in 2024/25 through Exceptional Financial Support, has been applied to maintain a minimum level of General Fund Balance.
- Additionally, there was a £15.096m in year deficit reported against the Central Dedicated Schools Grant (DSG), leaving a cumulative DSG deficit of £17.639m at the end of the financial year. This deficit does not presently need to be accounted for within the Council's budget due to a statutory override provided through legislation, although that is due to expire, nationally, in March 2026.

### 3. Recommendations

- 3.1. It is recommended that Transformation and Improvement Overview and Scrutiny Committee Members:
- a) Consider, with appropriate comment, this report and the recommendations made to Cabinet below.
- 3.2. It is recommended that Cabinet Members:
- In respect of the revenue budget:**
- a) Note that the outturn for overall variance in the year is £34.230m above budget.
  - b) Note that the consequent level of the General Fund Balance is £4.823m.
  - c) Note the use of £7.726m of Earmarked Reserves and Provisions and the resulting level of earmarked reserves of £25.455m (£18.762m if the balances held by schools are excluded).
  - d) Note the £47.194m savings delivery achieved over the year

- e) Note that the combination of earmarked and un-earmarked (General) reserves of £33.275m is below a level that would be regarded as appropriate, taking into account local circumstances. The MTFS sets out an agreed plan to restore these balances to safer levels.

**In respect of ringfenced funding:**

- f) Note the performance of the Housing Revenue Account (HRA) - £3.124m (13%) surplus outturn for 2024/25 on £23.054m turnover, and the resulting level of the HRA reserve of £14.861m.
- g) Note the outturn for the DSG and the consequent level of the DSG reserve.
- h) Note that the level of school balances has decreased by £0.647m, from £7.340m in 2023/24 to £6.693m, in the financial year.

**In respect of the capital programme:**

- i) Approve the net budget variations of £1.946m to the 2024/25 capital programme (in Appendix 9) and the re-profiled 2024/25 capital budget of £112.640m.
- j) Approve the re-profiled capital budgets of £152.574m for 2025/26, including slippage of £4.819m from 2024/25, £72.350m for 2026/27 and £45.212m for 2027/28 as detailed in Appendix 13.
- k) Accept the outturn expenditure set out in Appendices 10 and 11 of £107.820m representing 95.7% of the revised capital budget for 2024/25.
- l) Approve retaining a balance of capital receipts set aside of £24.432m as at 31<sup>st</sup> March 2025 to generate a one-off Minimum Revenue Provision saving of £0.222m in 2025/26.

3.3. It is recommended that Audit Committee Members:

- a) Consider, with appropriate comment, the Outturn Report alongside the Council's Draft Statement of Accounts 2024/25.

## Report

### 4. Risk Assessment and Opportunities Appraisal

- 4.1. The management of the Council's Budget is a key process in ensuring the strategic risks are mitigated and the Council can carry out the business as intended and planned for within the Financial Strategy.
- 4.2. When the Council set the Financial Strategy in February 2024, which underpins this report, it considered the requirements of the relevant legislation and any necessary service user consultation.
- 4.3. The financial results for 2024/25 were lower than anticipated but have been able to be funded using reserves. This highlights an ongoing risk that effective action to address and improve the forecast was not able to be delivered within the year.

#### 4.4. Risk table

| <i>Risk</i>  | <i>Mitigation</i>  |
|--|--|
| Revenue budget risks – the issues underlying the outturn position remain into the next financial year  | <p>The budget for 2024/25 included growth for known demand pressures and inflationary pressures. Also, any known pressures were included as growth items.</p> <p>Additional funding has been built into the General Fund for 2025/26 and so can provide some resilience for any unforeseen pressures, however it is recognised that the General Fund Balance is not at a sufficient level to provide for all potential financial risks that could occur.</p> |
| Capital budget risks - inflationary pressures as the construction sector in particular is often highly exposed to price increases, and programme slippages as schemes are delivered slower (or faster) than anticipated. Also risks around generation of capital receipts for funding capital schemes, and transformation costs. | The capital programme is reviewed quarterly and any updates or revisions to the capital programme are included within the review. A working group is set up to track delivery against capital receipts and progress for the year is detailed within the quarterly financial report.  |

## 5. Financial Implications

- 5.1. This is the subject of the report. Failure to constrain spending within budgets leads to overspending, which must then be funded from un-earmarked reserves in the form of the General Fund Balance (GFB). The Council should carry GFB of 5%-15% of turnover, around £15m- £30m. The Council's Medium Term Financial Strategy, approved by Full Council in February 2025, includes provision to increase the general fund balance to these levels, provided that all spending for the year is constrained within the budgeted levels. This has not proved possible in 2024/25.
- 5.2. The MTFs also included an assessment of the level of risk being faced by the authority, across all areas of financial management. This concluded that the prudent level of reserves should be £50m based on that assessment. The council is moving towards a higher level of reserves, but this in itself must be risk-assessed and balanced against the impact on revenue budgets (a contribution to reserves is an expense, which will therefore increase required savings).

## 6. Climate Change Appraisal

- 6.1. The Council's Financial Strategy supports its strategies for Climate Change and Carbon Reduction in a number of ways. The future programme includes programmes to support a range of initiatives such as moving to LED street lighting; enabling agile and mobile working (including a move to hybrid working at the Council with officers predominantly working from home which has also helped to

reduce officer travel); and support for Park and Ride schemes to reduce car emissions within the town centres.

- 6.2. A specific climate change revenue budget is held in 2024/25 and further details about spend in this area is included in Appendix 1 to this report. Several areas of spend in the climate change budget are invest-to save or future income generating schemes such as energy generation with solar PV or building energy efficiency measures. The climate change schemes involving the Council's assets or infrastructure are included within the capital programme of which further detail can be found within Appendix 15.

## 7. Background

- 7.1. Budget monitoring reports are produced monthly with a more detailed assessment undertaken quarterly for Cabinet, highlighting the anticipated year end projection compared to available budget. The outturn report removes all projections and confirms the actual year end position compared to those earlier projections.
- 7.2. The monitoring reports track progress against agreed budget decisions, consider any budget changes (including re-profiling on Capital), forecast any significant variances to the budget, and enable corrective action to be taken to ensure a balanced budget at year end. Capital schemes are similarly reported on an exception basis.

## 8. Savings Delivery

- 8.1. 52% of the 2024/25 savings required have been delivered. This amounted to £47.194m in value. As a percentage of net budget, but also in absolute terms, this is likely to be the highest level of savings delivered within one financial year of any local authority in the country. Almost 58% of these savings (£27m) were delivered across the People Directorate, (adult and children social care and learning and skills) this is on top of £22m savings delivered by the people directorate in 23/24.
- 8.2. There were £42.812m of savings that have not been achieved in 2024/25, some of these part of a two year programme of which £41.181m will be carried forward to 2025/26 to be delivered in year two. The savings outturn in 2024/25 is presented in Appendix 3. The impact on the outturn position of the savings that have not been delivered can be seen in Appendix 4.

## 9. General Fund Balance

- 9.1. A breakdown of transactions impacting on the General Fund in 2024/25 are detailed in Appendix 6 and this shows an overall reduction in the balance held of £4.823m. The MTFS approved in February 2025 includes provision to increase this to more appropriate levels, provided that spending is held within budgeted levels in the new financial year.

## 10. Housing Revenue Account

- 10.1. The Housing Revenue Account (HRA) outturn for 2024/25 shows a surplus of £3.124m against a budgeted surplus of £1.806m, giving a £1.318m variance against the approved budget. This was mainly due to increased income for

enhanced services provided through the HRA in addition to a larger than expected interest receipt due to higher interest rates on balances held within the HRA. As at 31 March 2025 the HRA reserve stood at £14.861m. A breakdown of the HRA is provided at Appendix 7.

## 11. Dedicated Schools Grant

- 11.1. There was a £15.096m in year deficit reported against the Central Dedicated Schools Grant (DSG), leaving a cumulative DSG deficit of £17.639m at the end of the financial year. This in year-deficit was due to an in-year overspend reported on the High Needs Block of DSG totalling £15.464m. There was also an overspend of £0.022m against school's de-delegated items, an underspend of £0.091m against the Council's Schools Growth funding allocation, a £0.240m underspend on the Council's Early Years Block DSG allocation, as well as a £0.059m underspend reported against the Council's Central Schools Services Block DSG allocation.
- 11.2. The overspend on High Needs Blocks of £15.464m is across several areas. The largest overspend was against the budget for Independent Special School placements (£5.957m). The Council has experienced a continued increase in demand for Independent Special School placements as evidenced by the number of new placements. This is a trend that was identified in 2022-23, was even more pronounced in 2023-24 and has continued in 2024-25 although the percentage increase in new placements has slowed relative to 2023-24. Another trend is the continued, more frequent use of independent alternative providers, particularly in relation to children who are post 16. Also, the average termly cost of a placement has increased in 2024-25 reflecting price inflationary pressures and an increase in the complexity of children and young people's needs.
- 11.3. There have also been large overspends in relation to top-up funding. There was a £3.748m overspend on top-up funding paid to Special Schools. Some of the overspend was related to the planned increase in commissioned place numbers at the newest Special School, Keystone Academy, while the majority of the overspend relates to a banding review at the largest Special School, Severndale Specialist Academy. Part of this was a one-off payment backdated to September 2023. An overspend of £3.918m is also reported against the top-up funding to mainstream school budgets. The spend on this budget line includes top-up funding to SEND Hubs attached to mainstream schools, which the Council has continued to grow capacity and invest in SEND Hubs, in line with local and national SEND strategies. The Council has also seen an increase in expenditure in 2024-25 relating to SEN Support Services resulting in a £1.844m overspend against this budget line.
- 11.4. Council Officers are currently working on a DSG Management Plan which sets out potential mitigations against the High Need Block DSG and illustrates how these mitigations will bring the DSG financial position back into balanced position over an agreed period of time. A meeting has been arranged with the Education and Skills Funding Agency to discuss this plan on 7th July, and this DSG Management Plan will be presented to Schools Forum.

## 12. Reserves and Provisions

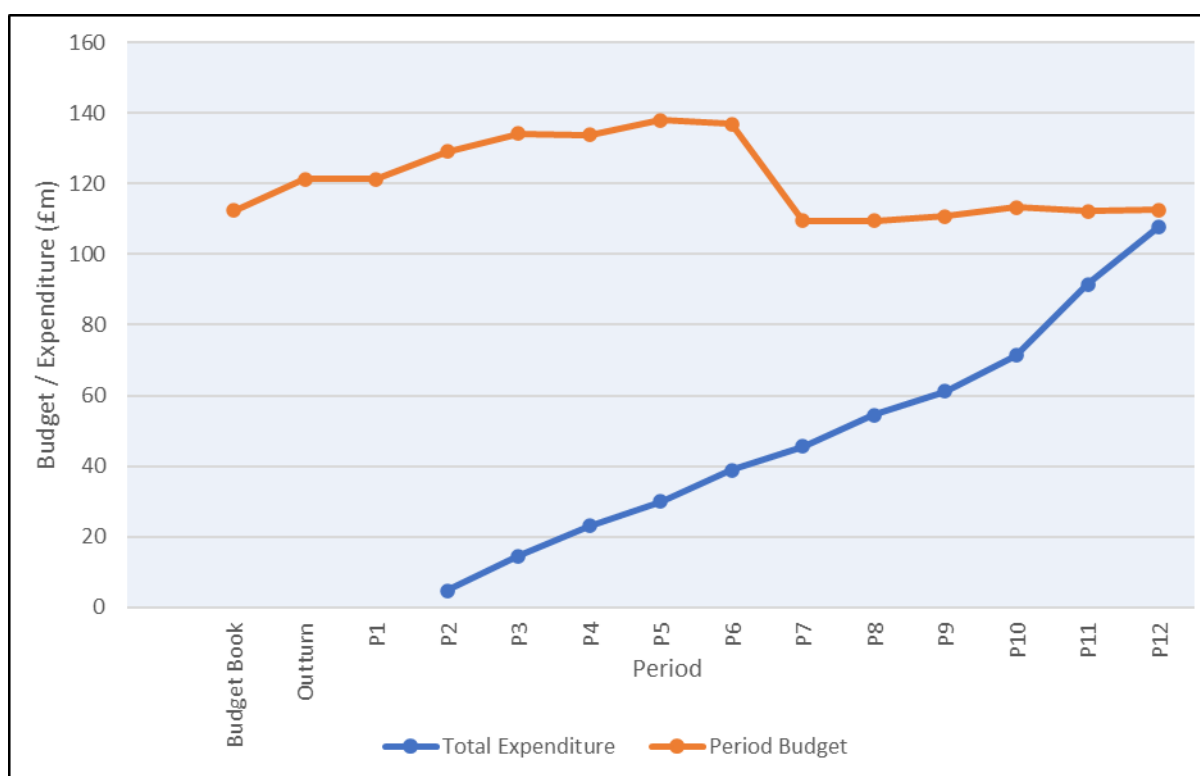
- 12.1. The overall position for reserves and provisions is set out in the Statement of Accounts 2024/25, however a detailed breakdown of the balances is contained at Appendix 8 and shows an overall reduction of £7.079m in reserves and provision (excl. delegated schools balances).

## 13. Original & Final Capital Programme for 2024/25

- 13.1. The capital budget for 2024/25 was subject to a review of all projects at Quarter 3 and re-profiling where required into future years with no further re-profiling into future years being anticipated during Quarter 4. However, in Quarter 4 it has been necessary to undertake further re-profiling of -£0.515m. Additionally, in Quarter 4 there has been a net budget increase of £2.461m for 2024/25. In total, therefore, during Quarter 4 there has been a net budget increase of £1.946m compared to the position reported at Quarter 3 2024/25. Appendix 9 summarises the overall movement, between that already approved and changes for Quarter 4 that require approval.

## 14. Capital Outturn Position and Financing

- 14.1. Outturn projections are incorporated into the capital monitor to enhance the monitoring information provided and allow the early identification where schemes are deviating from budget. Appendix 10 summarises the outturn position for 2024/25.
- 14.2. Total capital expenditure for 2024/25 was £107.820m, which equated to 95.7% of the re-profiled capital programme of £112.640m. The graph below shows actual expenditure by period and tracks the period-on-period changes to the budget.





14.3. There was a total variance of £4.819m between the revised Outturn Budget and the Outturn Expenditure. This underspend will be slipped to future years to facilitate completion of projects in delivery during in 2025-26 and beyond as required following a review of expected profiles. A summary of significant variances by directorate and service area are provided In Appendix 11.

14.4. Appendix 12 summarises the financing of the 2024/25 capital programme, changes made to Quarter 3 and to be approved to Quarter 4.

14.5. Within the financing of the Capital Programme £1.260m is funded from revenue contributions. The major areas of revenue contributions to capital are HRA house repurchases (£0.167m), essential repairs in relation to the Corporate Landlord estate (£0.386m), Highways schemes (£0.157m), Homes & Communities schemes (0.140m), Passenger Transport vehicles (£0.256m) and Schools revenue contributions to various capital schemes (0.154m).

## **15. Projected Future Capital Programme**

15.1. The updated capital programme and the financing of the programme is summarised by year in Appendix 13.

15.2. The Corporate Resources financing line is the element of internal resources through capital receipts and corporately financed prudential borrowing required to finance the programme.. The Council continues to consider proposals for new schemes to invest in, with an emphasis on invest to save schemes and schemes that generate revenue savings as a result of either the generation of revenue income or the delivery of revenue savings.

## **16. Capital Receipts Position**

16.1. Appendix 14 summarises the current allocated and projected capital receipt position across 2024-25 to 2027-28

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

Financial Strategy 2024/25 – 2028/29, Council – 29 February 2024

Financial Rules

Financial Monitoring Report – Quarter 1 2024/25, Cabinet – 11 September 2024

Financial Monitoring Report – Quarter 2 2024/25, Cabinet – 20 November 2024

Financial Monitoring Report – Quarter 3 2024/25, Cabinet – 12 February 2025

**Local Member:** All

**Appendices**

Appendix 1 – 2024/25 Budget Variations by Service

Appendix 2 – Movement in Projections Between Q3 and Outturn

Appendix 3 – Update on Delivery of 2024/25 Savings Proposals

Appendix 4 – Reconciliation of Monitoring Projections to Savings Delivery

Appendix 5 – Amendments to Original Budget

Appendix 6 – General Fund Balance

Appendix 7 – Housing Revenue Account

Appendix 8 – Reserves and Provision 2024/25

Appendix 9 – Revised Capital Programme

Appendix 10 – Capital Programme Outturn Position by Directorate 2024/25

Appendix 11 – Summary of Significant Variances Between Revised Capital Budget & Outturn Expenditure by Directorate and Service Area For 2024-25

Appendix 12 – Revised Capital Programme Financing 2024/25

Appendix 13 – Capital Programme 2025/26 To 2027/28

Appendix 14 – Projected Capital Receipts Position

Appendix 15 – Capital Programme Summary Outturn 2024/25



## APPENDIX 1

### 2024/25 BUDGET VARIATIONS BY SERVICE

#### 1.1 Summary

Revenue variances are reported on an exception basis depending on the total variance from budget, and the percentage change in projection in any one period.

- 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)

| Directorate                     | Full Year           |                           |                        | RAGY |
|---------------------------------|---------------------|---------------------------|------------------------|------|
|                                 | Revised Budget<br>£ | Controllable Outturn<br>£ | (Under)/Overspend<br>£ |      |
| Health & Wellbeing              | 5,992               | 5,503                     | (489)                  | Y    |
| People                          | 214,687             | 245,931                   | 31,244                 | R    |
| Place                           | 51,651              | 66,722                    | 15,071                 | R    |
| Resources                       | 3,782               | 8,463                     | 4,681                  | R    |
| Strategic Management Board      | (23)                | 295                       | 318                    | R    |
| <b>Service Delivery Budgets</b> | <b>276,089</b>      | <b>326,914</b>            | <b>50,825</b>          |      |
| Corporate Budgets               | (14,392)            | (30,987)                  | (16,595)               | Y    |
| <b>Total</b>                    | <b>261,697</b>      | <b>295,927</b>            | <b>34,230</b>          |      |

## 1.2 Summary

### Directorate Summary

#### Directorate Summary

| Directorate   |                   |  | Budget          | Outturn         | Variance        | RAGY |
|---|-------------------|--|-----------------|-----------------|-----------------|------|
| A1R009  | CORPORATE BUDGETS |  | (14,391,730.00) | (30,986,352.34) | (16,594,622.34) | Y    |
| A1R009: Corporate Budgets   |                   | Portfolio Holder                             | Budget          | Outturn         | Variance        | RAGY |
| RSA057  | Corporate Budgets | Finance, Corporate Resources and Communities | (14,391,730.00) | (30,986,352.34) | (16,594,622.34) | Y    |
| <ul style="list-style-type: none"> <li>• £10.560m Corporate MTFS savings targets yet to be delivered in base budget and offset by one-off arrangements set out below</li> <li>• £1.741m to fund a provision for known redundancy costs committed to in 2024/25 but to be incurred in 2025/26</li> <li>• (£0.354m) various minor budget variations</li> <li>• (£0.428m) additional Levy Accounts Surplus distribution from government</li> <li>• (£0.686m) higher than expected returns from West Mercia Energy</li> <li>• (£0.701m) savings in Corporate transformation and invest to save budgets through the application of the in-year capitalisation direction 2024/25</li> <li>• (£1.064m) equipment budgets decommitted during 2024/25</li> <li>• (£1.940m) additional Section 31 grant for Business Rate Retention</li> <li>• (£4.250m) use of Financial Strategy Reserve</li> <li>• (£4.711m) additional income and savings through Treasury Management Activities including interest earned on loans provided to Cornovii during the year, reduced interest payable due to renegotiation of market loan terms</li> <li>• (£6.153m) staffing budgets contingency not committed during 2024/25, however this has been released in 2025/26 budget setting.</li> <li>• (£8.609m) use of Development Reserve</li> </ul> |                   |  |                 |                 |                 |      |
| Total A1R009: Corporate Budgets   |                   |  | (14,391,730.00) | (30,986,352.34) | (16,594,622.34) |      |

| Directorate                  |                     |                                  | Budget       | Outturn      | Variance     | RAGY |
|------------------------------|---------------------|----------------------------------|--------------|--------------|--------------|------|
| A1R011                       | HEALTH & WELLBEING  |                                  | 5,991,670.00 | 5,502,898.81 | (488,771.19) | Y    |
| A1R011: Health and Wellbeing |                     | Portfolio Holder                 | Budget       | Outturn      | Variance     | RAGY |
| RSA007                       | Regulatory Services | Planning and Regulatory Services | 1,342,190.00 | 1,276,411.31 | (65,778.69)  | Y    |
| Minor Variance to budget     |                     |                                  |              |              |              |      |

| Directorate  |  |  | Budget              | Outturn             | Variance            | RAGY     |
|--|--|--|---------------------|---------------------|---------------------|----------|
| <b>RSA008</b>  | <b>Business and Consumer Protection</b>                      | <b>Planning and Regulatory Services</b>    | <b>1,871,590.00</b> | <b>1,488,102.24</b> | <b>(383,487.76)</b> | <b>Y</b> |
| • (£0.383m) spend under budget mainly due to VR posts contributing to corporate savings, vacant post and restructure |  |  |                     |                     |                     |          |
| <b>RSA011</b>  | <b>Ring Fenced Public Health Services</b>                    | <b>Adult Social Care and Public Health</b> | -                   | -                   | -                   | <b>G</b> |
| No Variance to budget  |  |  |                     |                     |                     |          |
| <b>RSA025</b>  | <b>Planning Services</b>                                     | <b>Planning and Regulatory Services</b>    | <b>(144,230.00)</b> | <b>(261,037.36)</b> | <b>(116,807.36)</b> | <b>Y</b> |
| • (£0.117m) Planning Services – increased income compared to budget.   |  |  |                     |                     |                     |          |
| <b>RSA035</b>  | <b>Libraries</b>   | <b>Culture and Digital</b>                 | <b>2,907,770.00</b> | <b>2,854,408.83</b> | <b>(53,361.17)</b>  | <b>Y</b> |
| Minor Variance to budget   |  |  |                     |                     |                     |          |
| <b>RSA044</b>  | <b>Business Improvement: Data, Analysis and Intelligence</b> | <b>Culture and Digital</b>                 | <b>14,350.00</b>    | <b>145,013.79</b>   | <b>130,663.79</b>   | <b>R</b> |
| • £0.131m overspend in transformation work, mitigated by savings from the Voluntary Redundancy programme.            |  |  |                     |                     |                     |          |
| <b>Total A1R011: Health and Wellbeing</b>  |  |  | <b>5,991,670.00</b> | <b>5,502,898.81</b> | <b>(488,771.19)</b> |          |

| Directorate   |   |  | Budget                | Outturn               | Variance             | RAGY        |
|---|---|--|-----------------------|-----------------------|----------------------|-------------|
| <b>A1R010</b>   | <b>PEOPLE</b>   |  | <b>214,686,560.00</b> | <b>245,930,829.49</b> | <b>31,244,269.49</b> | <b>R</b>    |
| <b>A1R010: People</b>   |   | <b>Portfolio Holder</b>                    | <b>Budget</b>         | <b>Outturn</b>        | <b>Variance</b>      | <b>RAGY</b> |
| <b>RSA001</b>   | <b>Adult Social Care Business Support and Development</b> | <b>Adult Social Care and Public Health</b> | <b>(2,399,860.00)</b> | <b>(2,796,175.46)</b> | <b>(396,315.46)</b>  | <b>Y</b>    |
| • (£0.361m) Capitalisation of posts for transformational projects across several teams. |   |  |                       |                       |                      |             |
| <b>RSA002</b>   | <b>Adult Social Care Management</b>                       | <b>Adult Social Care and Public Health</b> | <b>978,830.00</b>     | <b>635,908.16</b>     | <b>(342,921.84)</b>  | <b>Y</b>    |
| • (£0.343m) Capitalisation of posts for transformational projects                       |   |  |                       |                       |                      |             |
| <b>RSA003</b>   | <b>Adult Social Care Provider Services</b>                | <b>Adult Social Care and Public Health</b> | <b>3,924,150.00</b>   | <b>3,913,894.55</b>   | <b>(10,255.45)</b>   | <b>Y</b>    |
| • Minor Variance to budget at Period 12   |   |  |                       |                       |                      |             |

| Directorate   |  |  | Budget                | Outturn               | Variance             | RAGY     |
|---|--|--|-----------------------|-----------------------|----------------------|----------|
| <b>RSA005</b>   | <b>Adult Social Care Operations</b>            | <b>Adult Social Care and Public Health</b> | <b>125,700,510.00</b> | <b>142,972,755.01</b> | <b>17,272,245.01</b> | <b>R</b> |
| <ul style="list-style-type: none"> <li>• Additional spend in purchasing of £13.534m</li> </ul> <p>The key elements of the purchasing spend are:</p> <p>£8.198m Supported Living spend</p> <p>£5.694m SPOT Purchasing spend for people transferred from Health to the Local Authority.</p> <p>- a number of disputed cases which were not resolved by the end of the year relating to CHC income.</p> <p>- continued pressure on long term older persons care due to the increased number of capital reductions.</p> <p>offset by (£0.320m) additional income from client deferred payment agreement.</p> <ul style="list-style-type: none"> <li>• £3.505m unachieved savings these are organisational savings relating to rightsizing the organisation and efficiency savings</li> <li>• £0.145m spend over budget on transport services</li> </ul>   |  |  |                       |                       |                      |          |
| <b>RSA017</b>   | <b>Shire Services</b>                          | <b>Housing and Assets</b>                  | <b>0.00</b>           | <b>(217,008.20)</b>   | <b>(217,008.20)</b>  | <b>Y</b> |
| <ul style="list-style-type: none"> <li>• There was a £0.217m surplus in 2024/25 that has then been transferred to the general fund to partially repay Shire's Services deficit relating to previous years</li> </ul>  |  |  |                       |                       |                      |          |
| <b>RSA018</b>   | <b>Children's Social Care and Safeguarding</b> | <b>Children &amp; Education</b>            | <b>20,831,700.00</b>  | <b>24,210,577.71</b>  | <b>3,378,877.71</b>  | <b>R</b> |
| <ul style="list-style-type: none"> <li>• £1.418m spend over budget on staffing across the Social Work Teams, largely relating to Agency Social Workers</li> <li>• £0.791m savings target unachievable relates to efficiency savings targets across the whole of Children's Social Care</li> <li>• £0.560m spend over budget relates to other costs such as transport recharges and taxi costs, childcare payments, parenting and medical assessments and interpreting fees.</li> <li>• £0.401m spend over budget relates to Disabled Children's budget area with £0.367m of the value explained by DCT prevention and Support payments</li> <li>• £0.270m "low value efficiencies" savings target was unachieved.</li> <li>• £0.137m spend over budget relates to Adoption Services. There was a £0.253m spend over budget on Adoption Allowances but this is partially offset by a spend under budget on Intra-Agency adoption placements.</li> <li>• (£0.022m) spend under budget relates to Leaving Care accommodation and allowances</li> <li>• (£0.175m) net under spend against budget on Public Law Outline support packages.</li> </ul> |  |  |                       |                       |                      |          |

| Directorate  |   |                                 | Budget               | Outturn              | Variance            | RAGY     |
|--|---|---------------------------------|----------------------|----------------------|---------------------|----------|
| <b>RSA019</b>  | <b>Children's Early Help &amp; Placements</b> | <b>Children &amp; Education</b> | <b>41,357,160.00</b> | <b>47,316,911.90</b> | <b>5,959,751.90</b> | <b>R</b> |
| <ul style="list-style-type: none"> <li>• £6.227m spend over budget on External Residential Placements. £4.842m is explained by an increase in External Residential placements (28% increase between 31/3/24 and 31/3/25) leading to an increase in expenditure in 2024/25. The remaining £1.385m of this pressure relates to a shortfall in contributions from other partners towards joint funded social care led placements.</li> <li>• £2.189m spend over budget on Fostering. The majority relates to External Fostering (£1.643m), partly explained by a portion of £1m savings target which was not achieved on an ongoing basis in 2023/24.</li> <li>• £0.343m unachieved savings are organisational savings relating to rightsizing the organisation, third party spend and efficiency savings across the whole of Early Help.</li> <li>• £0.181m spend over budget on staffing across the Social Work Teams, largely relating to Agency Social Workers.</li> <li>• £0.067m spend over budget relates to other costs such as transport recharges and taxi costs, childcare payments, parenting and medical assessments and interpreting fees.</li> <li>• (£0.043m) net under spend against budget on Youth Support Team.</li> <li>• (£0.195m) spend under budget against Early Help staffing. The service implemented a new staffing structure from 1st June so staff turnover has been high and several posts have remained vacant as the service has restructured</li> <li>• (£0.725m) net under spend against budget on Internal Residential Placements. Expenditure of £0.618m relating to one of the Council's new children's homes has been capitalised during 2024/25 which explains the majority of the spend under budget.</li> <li>• (£0.830m) spend under budget against Early Help Non-staffing, including the maximisation of Supporting Families Grant</li> <li>• There is a credit of (£1.255m) relating to the capitalisation of posts as a one-off working on transformational projects (Stepping Stones Project).</li> </ul> |   |                                 |                      |                      |                     |          |
| <b>RSA021</b>  | <b>Learning and Skills</b>                    | <b>Children &amp; Education</b> | <b>18,214,790.00</b> | <b>21,662,935.67</b> | <b>3,448,145.67</b> | <b>R</b> |
| <ul style="list-style-type: none"> <li>• £3.749m spend over budget against Home to School Transport. £2.399m of this relates to SEND Transport where there has been a significant increase in the number of children with EHC Plans requiring transport. The remaining variance of £1.350m relates to mainstream transport and the Children's transport Fleet.</li> <li>• £0.134m spend over budget relates to the fully-traded Schools Library Service</li> <li>• (£0.058m) relating to the capitalisation of a post as a one-off working on transformational projects within Learning &amp; Skills Business Support</li> <li>• (£0.061m) relating to maximising the use of grants to fund staff within Learning &amp; Skills Business Support</li> <li>• (£0.068m) relating to the net spend under budget on the Academy Conversions budget</li> <li>• (£0.097m) one-off efficiencies across both staffing and non-staffing budgets within Learning &amp; Skills Business Support.</li> <li>• (£0.151m) relating to maximising the use of grants to fund staff within Children-Looked-After Education (Virtual School).</li> </ul>   |   |                                 |                      |                      |                     |          |

| Directorate  |                               |                                     | Budget                | Outturn               | Variance             | RAGY |
|--|-------------------------------|-------------------------------------|-----------------------|-----------------------|----------------------|------|
| RSA070   | People Directorate Management | Adult Social Care and Public Health | (1,088,800.00)        | 2,879,714.48          | 3,968,514.48         | R    |
| <ul style="list-style-type: none"> <li>£3.969m spend over budget relates largely to unachieved efficiency savings</li> </ul>   |                               |                                     |                       |                       |                      |      |
| RSA075   | Public Transport              | Highways                            | 7,168,080.00          | 5,351,315.67          | (1,816,764.33)       | Y    |
| <ul style="list-style-type: none"> <li>(£1.266m) Department for Transport Grants applied for the provision of Public Transport and contributions received towards Bus Services (within the boundary and Cross Boundary)</li> <li>(£0.551m) Savings achieved resulting from changes in the Concessionary Fares reimbursement model</li> </ul> |                               |                                     |                       |                       |                      |      |
| <b>Total A1R010: People</b>  |                               |                                     | <b>214,686,560.00</b> | <b>245,930,829.49</b> | <b>31,244,269.49</b> |      |

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| Directorate   |  |                                  | Budget         | Outturn        | Variance        | RAGY        |
|---|--|----------------------------------|----------------|----------------|-----------------|-------------|
| A1R003  | PLACE  |                                  | 51,651,350.00  | 66,721,730.23  | 15,070,380.23   | R           |
| <b>A1R003: Place</b>  |  | <b>Portfolio Holder</b>          | <b>Budget</b>  | <b>Outturn</b> | <b>Variance</b> | <b>RAGY</b> |
| RSA004  | Housing Services                             | Housing and Assets               | 4,205,260.00   | 3,719,589.78   | (485,670.22)    | Y           |
| <ul style="list-style-type: none"> <li>£0.442m Activity higher than budgeted for Temporary Accommodation</li> <li>(£0.701m) Additional Housing Benefit (one-off) income achieved</li> <li>(£0.207m) One-off saving on housing contracts</li> <li>(£0.035m) Low value efficiencies achieved</li> </ul> |  |                                  |                |                |                 |             |
| RSA006  | Bereavement Services                         | Planning and Regulatory Services | 270,710.00     | 262,035.48     | (8,674.52)      | Y           |
| <ul style="list-style-type: none"> <li>Minor variance to budget</li> </ul>  |  |                                  |                |                |                 |             |
| RSA012  | Assistant Director Commercial Services       | Housing and Assets               | (4,652,630.00) | 87,504.39      | 4,740,134.39    | R           |
| <ul style="list-style-type: none"> <li>Corporate MTFS targets not realised</li> </ul>   |  |                                  |                |                |                 |             |
| RSA013  | Corporate Landlord, Property and Development | Housing and Assets               | 3,680,900.00   | 3,297,406.71   | (383,493.29)    | Y           |
| <ul style="list-style-type: none"> <li>Overall savings achieved from a combination of increased income, reduced utility costs across the portfolio, offset by small increase in PFI costs.</li> <li>Additional Savings in Property Services through service restructure &amp; VR</li> </ul>           |  |                                  |                |                |                 |             |

| Directorate   |   |   | Budget               | Outturn              | Variance            | RAGY     |
|---|---|---|----------------------|----------------------|---------------------|----------|
| <b>RSA023</b>   | <b>Director of Place</b>                          | <b>Housing and Assets</b>               | <b>323,210.00</b>    | <b>480,276.32</b>    | <b>157,066.32</b>   | <b>R</b> |
| • Corporate MTFS targets not realised   |   |   |                      |                      |                     |          |
| <b>RSA024</b>   | <b>Assistant Director Economy &amp; Place</b>     | <b>Growth and Regeneration</b>          | <b>(708,920.00)</b>  | <b>212,410.99</b>    | <b>921,330.99</b>   | <b>R</b> |
| • Corporate MTFS targets not realised   |   |   |                      |                      |                     |          |
| <b>RSA026</b>   | <b>Economic Growth</b>                            | <b>Growth and Regeneration</b>          | <b>1,189,200.00</b>  | <b>1,006,615.20</b>  | <b>(182,584.80)</b> | <b>Y</b> |
| • Additional project funding received   |   |   |                      |                      |                     |          |
| <b>RSA027</b>   | <b>Broadband</b>                                  | <b>Culture and Digital</b>              | <b>150,330.00</b>    | <b>41,278.20</b>     | <b>(109,051.80)</b> | <b>Y</b> |
| • Vacancy savings and project activity recharged to capital   |   |   |                      |                      |                     |          |
| <b>RSA028</b>   | <b>Policy and Environment</b>                     | <b>Planning and Regulatory Services</b> | <b>1,780,590.00</b>  | <b>1,817,571.27</b>  | <b>36,981.27</b>    | <b>G</b> |
| • Minor Variance to budget  |   |   |                      |                      |                     |          |
| <b>RSA030</b>   | <b>Culture, Leisure &amp; Tourism Development</b> | <b>Culture and Digital</b>              | <b>14,760.00</b>     | <b>3,935.44</b>      | <b>(10,824.56)</b>  | <b>Y</b> |
| • Minor variance to budget  |   |   |                      |                      |                     |          |
| <b>RSA031</b>   | <b>Highways &amp; Transport</b>                   | <b>Highways</b>                         | <b>10,112,770.00</b> | <b>13,510,260.35</b> | <b>3,397,490.35</b> | <b>R</b> |
| <ul style="list-style-type: none"> <li>• £1.624m contract savings not fully realised</li> <li>• £1.246m Winter Maintenance Reserve shortfall</li> <li>• £1.253m shortfall on Parking Income</li> <li>• £1.193m Borrowing Costs &amp; Interest</li> <li>• (£1.029m) Streetworks additional Income</li> <li>• (£0.500m) transfer from Kier Pension reserve</li> <li>• (£0.393m) Street lighting Energy efficiencies</li> <li>• (£0.090m) Cross service savings</li> </ul> |   |   |                      |                      |                     |          |
| <b>RSA032</b>   | <b>Shropshire Hills National Landscape</b>        | <b>Culture and Digital</b>              | <b>35,020.00</b>     | <b>36,688.00</b>     | <b>1,668.00</b>     | <b>G</b> |
| • Minor variance to budget  |   |   |                      |                      |                     |          |
| <b>RSA033</b>   | <b>Outdoor Partnerships</b>                       | <b>Culture and Digital</b>              | <b>1,156,650.00</b>  | <b>1,083,533.34</b>  | <b>(73,116.66)</b>  | <b>Y</b> |
| • Minor variance to budget  |   |   |                      |                      |                     |          |

| Directorate  |  |   | Budget                | Outturn              | Variance            | RAGY     |
|--|--|---|-----------------------|----------------------|---------------------|----------|
| <b>RSA034</b>  | <b>Leisure</b>                                       | <b>Culture and Digital</b>                                      | <b>1,979,980.00</b>   | <b>2,183,051.19</b>  | <b>203,071.19</b>   | <b>R</b> |
| • Unachieved savings targets relating to closure of leisure centres  |  |   |                       |                      |                     |          |
| <b>RSA036</b>  | <b>Museums and Archives</b>                          | <b>Culture and Digital</b>                                      | <b>1,118,730.00</b>   | <b>896,374.70</b>    | <b>(222,355.30)</b> | <b>Y</b> |
| • Spend below budget due to delay of Invest 2 Save payment & salary savings through Voluntary Redundancy.  |  |   |                       |                      |                     |          |
| <b>RSA037</b>  | <b>Theatre Services</b>                              | <b>Culture and Digital</b>                                      | <b>18,750.00</b>      | <b>(628,170.23)</b>  | <b>(646,920.23)</b> | <b>Y</b> |
| • Additional net income  |  |   |                       |                      |                     |          |
| <b>RSA038</b>  | <b>Waste Management</b>                              | <b>Deputy Leader, Climate Change, Environment and Transport</b> | <b>34,468,390.00</b>  | <b>36,780,414.65</b> | <b>2,312,024.65</b> | <b>R</b> |
| • £2.250m shortfall on Green Waste charges (budgeted full year at 70% take up, actual 5 months at 56%)<br>• £2.000m Shortfall on Waste PFI contract re-negotiation based on delayed implementation<br>• £0.210m Shortfall on Household Recycling Centre savings due to delayed closure.<br>• (£2.150m) Savings on PFI contract (Inflationary increase for 24-25 being less than originally budgeted) |  |   |                       |                      |                     |          |
| <b>RSA058</b>  | <b>Assistant Director Highways and Transport</b>     | <b>Highways</b>   | <b>(2,070,890.00)</b> | <b>236,442.72</b>    | <b>2,307,332.72</b> | <b>R</b> |
| • Corporate MTFS targets not realised  |  |   |                       |                      |                     |          |
| <b>RSA060</b>  | <b>Head of Culture, Leisure &amp; Tourism</b>        | <b>Culture and Digital</b>                                      | <b>170,090.00</b>     | <b>122,997.21</b>    | <b>(47,092.79)</b>  | <b>Y</b> |
| • Minor variance to budget   |  |   |                       |                      |                     |          |
| <b>RSA062</b>  | <b>Climate Change</b>                                | <b>Deputy Leader, Climate Change, Environment and Transport</b> | <b>(212,700.00)</b>   | <b>139,673.23</b>    | <b>352,373.23</b>   | <b>R</b> |
| • Delayed implementation of Pyrolysis Plant £0.270m<br>• Delayed implementation of Maesbury Solar Farm £0.125m offset by some staffing savings.  |  |   |                       |                      |                     |          |
| <b>RSA063</b>  | <b>Highway Policy &amp; Strategic Infrastructure</b> | <b>Deputy Leader, Climate Change, Environment and Transport</b> | <b>1,632,170.00</b>   | <b>1,768,016.30</b>  | <b>135,846.30</b>   | <b>R</b> |
| • Shrewsbury Town Council grounds maintenance contract savings not fully achieved  |  |   |                       |                      |                     |          |



| Directorate  |   |                           | Budget                | Outturn              | Variance             | RAGY     |
|--|---|---------------------------|-----------------------|----------------------|----------------------|----------|
| <b>RSA064</b>  | <b>Assistant Director Homes and Communities</b> | <b>Housing and Assets</b> | <b>(2,529,850.00)</b> | <b>159,161.89</b>    | <b>2,689,011.89</b>  | <b>R</b> |
| <ul style="list-style-type: none"> <li>£2.612m Corporate MTFS savings yet to be realised</li> <li>£0.077m Low value efficiencies unachieved</li> </ul> |   |                           |                       |                      |                      |          |
| <b>RSA065</b>  | <b>Housing Development and HRA</b>              | <b>Housing and Assets</b> | <b>60,250.00</b>      | <b>46,083.10</b>     | <b>(14,166.90)</b>   | <b>Y</b> |
| <ul style="list-style-type: none"> <li>Minor variance to budget</li> </ul>   |   |                           |                       |                      |                      |          |
| <b>Total A1R003: Place</b>   |   |                           | <b>51,651,350.00</b>  | <b>66,721,730.23</b> | <b>15,070,380.23</b> |          |

| Directorate  |   |   | Budget              | Outturn             | Variance              | RAGY        |
|--|---|---|---------------------|---------------------|-----------------------|-------------|
| <b>A1R012</b>  | <b>RESOURCES</b>                                      |   | <b>3,781,910.00</b> | <b>8,462,606.06</b> | <b>4,680,696.06</b>   | <b>R</b>    |
| <b>A1R012: Resources</b>   |   | <b>Portfolio Holder</b>                             | <b>Budget</b>       | <b>Outturn</b>      | <b>Variance</b>       | <b>RAGY</b> |
| <b>RSA009</b>  | <b>Registrars and Coroners</b>                        | <b>Planning and Regulatory Services</b>             | <b>451,920.00</b>   | <b>419,240.97</b>   | <b>(32,679.03)</b>    | <b>Y</b>    |
| <ul style="list-style-type: none"> <li>Minor variance to budget.</li> </ul>  |   |   |                     |                     |                       |             |
| <b>RSA042</b>  | <b>Automation and Technology</b>                      | <b>Culture and Digital</b>                          | <b>152,210.00</b>   | <b>(958,007.42)</b> | <b>(1,110,217.42)</b> | <b>Y</b>    |
| <ul style="list-style-type: none"> <li>£1.000m savings not yet achieved in full relating to right sizing the organisation, third party spend, new operating model activity and income generation. A big proportion of these are offset against other variances as below to mitigate in-year.</li> <li>(£0.121m) additional income generated via postages</li> <li>(£0.442m) reduction across various IT contracts and income generation from IT trading</li> <li>(£0.743m) additional capitalisation of staff and transformational activity across the area.</li> <li>(£0.809m) Vacancy management across all Automation &amp; Technology</li> </ul> |   |   |                     |                     |                       |             |
| <b>RSA045</b>  | <b>Human Resources and Organisational Development</b> | <b>Finance, Corporate Resources and Communities</b> | <b>7,880.00</b>     | <b>612,971.75</b>   | <b>605,091.75</b>     | <b>R</b>    |
| <ul style="list-style-type: none"> <li>Net savings relating to rightsizing the organisation under budget £0.732m</li> <li>In year saving efficiencies across supplies and services budgets (£0.100m)</li> <li>Income above expected budget in relation to ticket sales and fees and charges (£0.25m)</li> </ul>  |   |   |                     |                     |                       |             |

| Directorate  |  |   | Budget              | Outturn             | Variance            | RAGY     |
|--|--|---|---------------------|---------------------|---------------------|----------|
| <b>RSA047</b>  | <b>Finance</b>                                   | <b>Finance, Corporate Resources and Communities</b> | <b>2,155,420.00</b> | <b>3,928,031.13</b> | <b>1,772,611.13</b> | <b>R</b> |
| <ul style="list-style-type: none"> <li>• £2.883m savings not yet achieved in full relating to right sizing the organisation, third party spend, new operating model activity and income generation. A proportion of these are offset against other variances as below to mitigate in-year.</li> <li>• (£0.057m) other minor reductions in spend against supplies and services.</li> <li>• (£0.188m) additional capitalisation of staff and transformational activity across the area.</li> <li>• (£0.866m) Vacancy management across all finance teams.</li> </ul> |  |   |                     |                     |                     |          |
| <b>RSA050</b>  | <b>Pensions</b>                                  | <b>Finance, Corporate Resources and Communities</b> | <b>(12,890.00)</b>  | <b>8,037.04</b>     | <b>20,927.04</b>    | <b>G</b> |
| • Minor variance to budget.  |  |   |                     |                     |                     |          |
| <b>RSA051</b>  | <b>Commissioning Development and Procurement</b> | <b>Finance, Corporate Resources and Communities</b> | <b>(22,060.00)</b>  | <b>132,855.04</b>   | <b>154,915.04</b>   | <b>R</b> |
| • £0.158m reduced income from the Matrix rebate due to transfer of service to OPUS which should deliver wider organisational savings   |  |   |                     |                     |                     |          |
| <b>RSA052</b>  | <b>Risk Management</b>                           | <b>Finance, Corporate Resources and Communities</b> | <b>(30,130.00)</b>  | <b>115,952.39</b>   | <b>146,082.39</b>   | <b>R</b> |
| • £0.146m Risk management recharges less than budgeted   |  |   |                     |                     |                     |          |
| <b>RSA053</b>  | <b>Democratic Services</b>                       | <b>Finance, Corporate Resources and Communities</b> | <b>(14,800.00)</b>  | <b>(126,767.83)</b> | <b>(111,967.83)</b> | <b>Y</b> |
| • Spend under budget from Members allowances (£0.112m)   |  |   |                     |                     |                     |          |
| <b>RSA054</b>  | <b>Elections</b>                                 | <b>Finance, Corporate Resources and Communities</b> | <b>592,330.00</b>   | <b>603,106.60</b>   | <b>10,776.60</b>    | <b>G</b> |
| • Minor variance to budget.  |  |   |                     |                     |                     |          |
| <b>RSA055</b>  | <b>Legal Services</b>                            | <b>Finance, Corporate Resources and Communities</b> | <b>(59,070.00)</b>  | <b>676,107.19</b>   | <b>735,177.19</b>   | <b>R</b> |
| <ul style="list-style-type: none"> <li>• £0.350m savings not met in relation to MTFS</li> <li>• £0.233m spend above budget on Legal Childcare Cases (Demand Led)</li> <li>• £0.068 additional legal/court fee expenditure linked to increased number of cases</li> <li>• £0.051m Staff Capitalisation realised against transformation projects less than budgeted.</li> <li>• £0.043m under budget for Professional Fees income</li> </ul>   |  |   |                     |                     |                     |          |

| Directorate  |                           |  | Budget              | Outturn             | Variance            | RAGY |
|--|---------------------------|--|---------------------|---------------------|---------------------|------|
| RSA066   | Policy and Governance     | Finance, Corporate Resources and Communities | (36,760.00)         | (203,756.49)        | (166,996.49)        | Y    |
| <ul style="list-style-type: none"> <li>• Net vacancy management savings (£0.193m)</li> <li>• In-year pressures relating to supplies and services £0.036m</li> </ul>  |                           |  |                     |                     |                     |      |
| RSA071   | Resources Management Team | Finance, Corporate Resources and Communities | 10,210.00           | 1,939,881.27        | 1,929,671.27        | R    |
| <ul style="list-style-type: none"> <li>• £2.030m savings showing unachieved where budget is set against directorate, some of this is offset in service areas against savings in relation to service review implementation.</li> <li>• (£0.019m) one-off staff capitalisation through transformation projects.</li> <li>• (£0.030m) one-off reduction in spend against training across the directorate.</li> <li>• (£0.040m) income raised at year-end budgeted for in Finance &amp; Technology.</li> </ul> |                           |  |                     |                     |                     |      |
| RSA072   | Housing Benefits          | Finance, Corporate Resources and Communities | 511,630.00          | 1,151,283.96        | 639,653.96          | R    |
| <ul style="list-style-type: none"> <li>• £0.640m net position across Housing Benefits due to unachieved saving relating to in-year HB subsidy loss. This position also includes £0.194m of Bad Debt Provision released during 24/25.</li> </ul>  |                           |  |                     |                     |                     |      |
| RSA073   | Scrutiny                  | Finance, Corporate Resources and Communities | 83,720.00           | 232,042.19          | 148,322.19          | R    |
| <ul style="list-style-type: none"> <li>• Vacancy management savings not achieved £0.100m and minor variance above staffing budget £0.048m.</li> </ul>  |                           |  |                     |                     |                     |      |
| RSA074   | Feedback and Insights     | Finance, Corporate Resources and Communities | (7,700.00)          | (68,371.73)         | (60,671.73)         | Y    |
| <ul style="list-style-type: none"> <li>• Minor variance to budget</li> </ul>   |                           |  |                     |                     |                     |      |
| <b>Total A1R012: Resources</b>   |                           |  | <b>3,781,910.00</b> | <b>8,462,606.06</b> | <b>4,680,696.06</b> |      |

| Directorate   |  |   | Budget       | Outturn      | Variance     | RAGY |
|---|--|---|--------------|--------------|--------------|------|
| A1R008  | STRATEGIC MANAGEMENT BOARD               |   | (22,540.00)  | 295,208.43   | 317,748.43   | R    |
| A1R008: Strategic Management Board  |  | Portfolio Holder  | Budget       | Outturn      | Variance     | RAGY |
| RSA043  | Communications                           | Leader, Policy and Strategy, Improvement and Communications | 23,590.00    | 192,237.14   | 168,647.14   | R    |
| <ul style="list-style-type: none"> <li>Capitalisation of staff costs (£0.105m)</li> <li>£0.376m savings not achieved in relation to rightsizing and historic income savings targets offset partially by vacancy management (£0.141m)</li> </ul>   |  |   |              |              |              |      |
| RSA056  | Chief Executive & PAs                    | Leader, Policy and Strategy, Improvement and Communications | 8,100.00     | 102,674.41   | 94,574.41    | A    |
| <ul style="list-style-type: none"> <li>Minor variance to budget</li> </ul>  |  |   |              |              |              |      |
| RSA059  | Commercial Services Business Development | Housing and Assets  | (46,880.00)  | (21,252.60)  | 25,627.40    | G    |
| <ul style="list-style-type: none"> <li>Minor variance to budget</li> </ul>  |  |   |              |              |              |      |
| RSA067  | Programme Management                     | Leader, Policy and Strategy, Improvement and Communications | 157,770.00   | 348,110.92   | 190,340.92   | R    |
| <ul style="list-style-type: none"> <li>£0.190m spend relating to Transformation that is not able to be capitalised</li> </ul>   |  |   |              |              |              |      |
| RSA076  | Customer Services                        | Leader, Policy and Strategy, Improvement and Communications | (165,120.00) | (326,561.44) | (161,441.44) | Y    |
| <ul style="list-style-type: none"> <li>Unachieved savings of £0.334m</li> <li>£0.103m Lost SLA Income re changes to CCTV Service</li> <li>Offset by vacancy management and the voluntary redundancy programme as a result of a service review (£0.455m)</li> <li>Reduction in supplies and services across the area of (£0.135m)</li> </ul> |  |   |              |              |              |      |
| Total A1R008: Strategic Management Board  |  |   | (22,540.00)  | 295,208.43   | 317,748.43   |      |

## APPENDIX 2

### MOVEMENT IN PROJECTIONS BETWEEN P11 AND OUTTURN

| Directorate        | P11<br>Controllable<br>Variance<br>£'000 | Outturn<br>Controllable<br>Variance<br>£'000 | Movement<br>£'000 | Key Reasons for Movement  |
|--------------------|--|--|-------------------|---|
| Health & Wellbeing | (250)                                    | (489)  | (238)             | <ul style="list-style-type: none"> <li>• £0.071m Planning services underachieved forecast income (though exceeded budget)</li> <li>• (£0.008m) Libraries favourable movement</li> <li>• (£0.026m) Business Intelligence favourable movement</li> <li>• (£0.132m) Regulatory services improvement through additional income</li> <li>• (£0.143m) Business &amp; Consumer Protection improvement through additional income</li> </ul>   |
| People             | 16,100                                   | 31,244                                       | 15,144            | <p><b>ADULTS:</b></p> <ul style="list-style-type: none"> <li>• Purchasing additional spend £14.735m</li> </ul> <p>The variances above include the following identified pressures across all areas:</p> <ul style="list-style-type: none"> <li>- Transfer of clients from health to local authority funded</li> <li>- Several disputed cases relating to CHC income not yet resolved.</li> <li>- Increase in people in placements due to capital reductions from self-funders.</li> <li>- Supported Living transfers leading to increased provider costs and backdated costs.</li> <li>- Increase in complexity of cases.</li> <li>- Market Pressures - providers costs increased and backdated costs.</li> <li>- Winter Pressures - increase in demand over the winter months.</li> </ul> <p>The key elements of the purchasing spend are:</p> <ul style="list-style-type: none"> <li>-£5.851m Individual Service Funds (ISFs) transfers from Health to local authority</li> <li>-£3.537m Residential Care, £0.361m Nursing Care</li> <li>-£2.058m Supported Living increased complexity of cases and market pressures</li> <li>-£2.630m CHC Income shortfall</li> <li>-£0.315m Reablement expenditure</li> <li>-£0.101m increase in Direct Payments</li> <li>-(£0.121m) increased client contributions</li> </ul> <p><b>CHILDRENS:</b></p> <ul style="list-style-type: none"> <li>• £1.385m relates to a shortfall in contributions from other partners towards joint funded social care led placements.</li> <li>• £0.342m relates to an increase in spend on External Residential placements expenditure</li> <li>• £0.123m relates to an increase in DCT Prevention and Support payments</li> <li>• £0.063m relates to an increase in spend on 16-18 Supported Accommodation and allowances</li> <li>• £0.037m relates to an increase in spend on All-in-Programme Short Breaks within the DCT budget area</li> <li>• £0.030m relates to less grant and reserves funding applied within the Children-Looked-After UASC and Pathways Team</li> <li>• (£0.075m) relates to an increase in spend under budget against External Fostering placements</li> <li>• (£0.117m) relates to the use of Household Support Fund to fund a portion of accommodation and allowances expenditure within Leaving Care</li> <li>• (£0.304m) increase in spend under budget on Early Help non-staffing budgets including the increased use of</li> </ul> |

|                            |               |               |            |  |
|----------------------------|---------------|---------------|------------|--|
|                            |               |               |            | <p>Supporting Families Grant. £0.225m of this resulted from the use of capital to fund Parenting Assessment Team, freeing up an additional £0.225m of the Supporting Families Grant reserve to be used in Early Help Family Hubs instead</p> <ul style="list-style-type: none"> <li>• (£0.618m) relates to the use of capital to fund £0.618m revenue expenditure relating to one of the Council's new children's homes</li> <li>• £0.354m relates to an increase in spend over budget reported against Home to School Transport and £0.300m of this relates to funding contributions towards SEND Transport</li> <li>• (£0.147m) relating to maximising the use of grants to fund staff within Children-Looked-After Education (Virtual School)</li> <li>• (£0.190m) relates to an increase in spend under budget on statutory Concession Fares within Public Transport</li> <li>• (£0.374m) increase in spend under budget within Public Transport resulting from the use of Department for Transport Grants to support Bus Operators</li> <li>• (£0.110m) relates to an increase in in-year surplus relating to Shire Catering</li> </ul> |
| Place                      | 15,289        | 15,070        | (219)      | <p><b>Growth &amp; Infrastructure:</b></p> <ul style="list-style-type: none"> <li>• £0.865m shortfall of Highways staff capitalisation</li> <li>• £0.534m increase in Kier overhead apportionment (Revenue to Capital)</li> <li>• £0.163m shortfall on Permanent repair Gang capitalisation</li> <li>• £0.093m Corporate landlord Cost of disposal</li> <li>• £0.049m Kier Incentive payments</li> <li>• (£0.360m) Increase in rental income in relation to the Shopping Centre</li> <li>• (£0.168m) Shirehall backdated rent and Service Charges</li> <li>• (£0.171m) additional Housing Benefit and Student Accommodation rental income</li> <li>• (£0.060m) Staff savings recharge for management of Shopping Centres</li> </ul> <p><b>Homes &amp; Communities:</b></p> <ul style="list-style-type: none"> <li>• (0.531m) Additional Waste contract savings (Energy Share)</li> <li>• (0.356m) Contract Savings &amp; low-level efficiencies achieved across Housing</li> <li>• (0.293m) Additional one-off from government relating refugee resettlement.</li> </ul>   |
| Resources                  | 5,136         | 4,681         | (456)      | <ul style="list-style-type: none"> <li>• (£0.115m) additional capitalisation of staff working on transformation projects</li> <li>• (£0.121m) additional income generated via postages</li> <li>• (£0.226m) Additional income generated in IT</li> <li>• £0.039m Other minor variances across all areas</li> </ul>   |
| Strategic Management Board | 560           | 318           | (243)      | <ul style="list-style-type: none"> <li>• (£0.113m) additional capitalisation of staff working on transformation projects</li> <li>• (£0.083m) additional unbudgeted income, and reduction in final spend on supplies and services</li> </ul>   |
| Corporate Budgets          | (2,947)       | (16,595)      | (13,647)   | <ul style="list-style-type: none"> <li>• (£10.059m) planned release of Finance Strategy Reserve and additional release of Development Reserve.</li> <li>• £1.741m provision for known redundancy costs committed to in 2024/25 but to be incurred in 2025/26</li> <li>• (£0.428m) additional Levy Accounts Surplus distribution from government</li> <li>• (£1.064m) equipment budgets not committed during 2024/25</li> <li>• (£1.923m) additional income through Treasury Management Activities including interest earned on loans provided to Cornovii during the year</li> <li>• (£1.940m) additional Section 31 grant for Business Rate Retention</li> </ul>  |
| <b>Total</b>               | <b>33,889</b> | <b>34,230</b> | <b>341</b> |  |

## APPENDIX 3

### UPDATE ON DELIVERY OF 2024/25 SAVINGS PROPOSALS

#### Summary

The savings delivered for 2024/25 are detailed in the table below:

| Directorate                | Delivered<br>£'000 | Savings not<br>delivered<br>£'000 | Total<br>£'000 |
|----------------------------|--------------------|-----------------------------------|----------------|
| Health & Wellbeing         | 1,959              | 0                                 | 1,959          |
| People                     | 27,141             | 11,777                            | 38,918         |
| Place                      | 12,698             | 18,822                            | 31,520         |
| Resources                  | 4,153              | 6,147                             | 10,300         |
| Strategic Management Board | 554                | 1,798                             | 2,352          |
| Corporate Budgets          | 689                | 4,268                             | 4,957          |
| <b>Total</b>               | <b>47,194</b>      | <b>42,812</b>                     | <b>90,006</b>  |

\*Note: the People directorate overachieved some individual savings targets in 24/25, some of this delivery has been one-off during the year and as a result will be a target rolled over into 24/25 to achieve on an ongoing basis. More detail is provided below.

Detail of the savings not delivered are provided below. Some of the savings have been partially achieved in future years, and so details of those savings to be carried forward for delivery in 2025/26 are detailed for information:

| Savings Reference and Description   | Savings not<br>delivered<br>in 24/25<br>£'000 | Savings to<br>be<br>delivered<br>in 25/26<br>£'000 | Comments  |
|---|---|--|---|
| <b>Health &amp; Wellbeing</b>   | <b>0</b>                                      | <b>152</b>   |   |
| Savings of £0.152m were delivered as one-off savings in 24/25 but will be fully delivered in 25/26 through VRs. These are as follows: |   |  |   |
| <b>RC080</b> – Review and resize overall council staffing   | 0   | 132  | Carried forward to 2025/26 for delivery                                     |
| <b>RC086</b> – Efficiency Savings across all areas of the Council   | 0   | 20   | Carried forward to 2025/26 for delivery                                     |
| <b>People</b>   | <b>11,777</b>                                 | <b>14,596</b>                                      |   |
| <b>EFF09</b> – Removal of budgets for vacant posts  | 459   | 1,248  | Carried forward to 2025/26 for delivery                                     |
| <b>EFF101</b> – Staff Budget turnover by 5%   | 2,277   | 2,277  | Carried forward to 2025/26 for delivery                                     |
| <b>EFF105</b> – Getting Leadership Right  | 373   | 373  | Carried forward to 2025/26 for delivery                                     |
| <b>RC016</b> – Agency staff   | 85  | 85   | Carried forward to 2025/26 for delivery                                     |
| <b>RC080</b> – Review and resize overall council staffing   | 2,708   | 2,771  | Carried forward to 2025/26 for delivery                                     |
| <b>RC081</b> – Senior Management Review   | 207   | 0  | Carried forward to 2025/26 for delivery                                     |
| <b>RC085</b> – Reduce Third Party Spend   | 213   | 121  | Carried forward to 2025/26 for delivery                                     |
| <b>RC086</b> – Efficiency Savings across all areas of the Council   | 6,693   | 6,622  | Carried forward to 2025/26 for delivery                                     |
| <b>Overachievement against other savings targets within People</b>  | (1,238)                                       | (363)  | Ongoing overachievement that can be carried forward to offset other savings |



| Savings Reference and Description   | Savings not delivered in 24/25 £'000 | Savings to be delivered in 25/26 £'000 | Comments                                |
|---|--------------------------------------|--|---|
| Savings have been delivered as one-off savings in 24/25 and will therefore need to be delivered in 25/26. These are as follows: |                                      |  |   |
| <b>MD012</b> – Supported living   | 0                                    | 873                                    | Carried forward to 2025/26 for delivery |
| <b>RC007</b> – Review of in house day service provision   | 0                                    | 12                                     | Carried forward to 2025/26 for delivery |
| <b>RC083</b> – Cost reductions in the pooled training budget  | 0                                    | 17                                     | Carried forward to 2025/26 for delivery |
| <b>TO002</b> – Use of Shared Prosperity Fund  | 0                                    | 60                                     | Carried forward to 2025/26 for delivery |
| <b>TO004</b> – Funding arrangements and contributions from external sources to higher cost placement                            | 0                                    | 500                                    | Carried forward to 2025/26 for delivery |
| <b>Place</b>  | <b>18,822</b>                        | <b>14,831</b>                          |   |
| <b>CM007</b> – Increase wider fees and charges  | 1,802                                | 1,802                                  | Carried forward to 2025/26 for delivery |
| <b>EFF101</b> - Staff Budget turnover by 5%   | 150                                  | 100                                    | Carried forward to 2025/26 for delivery |
| <b>EFF105</b> – Getting Leadership Right  | 227                                  | 307                                    | Carried forward to 2025/26 for delivery |
| <b>EFF44a</b> – Sale of energy and recyclates   | 500                                  | 0                                      | Delivered in 25/26                      |
| <b>EFF44b</b> – Renegotiate Waste PFI contract  | 2,000                                | 0                                      | Delivered in 25/26                      |
| <b>EFF44c</b> – Reduce Household Recycling Centres  | 216                                  | 0                                      | Delivered in 25/26                      |
| <b>EFF45</b> – Charge staffing costs to capital   | 455                                  | 1,832                                  | Carried forward to 2025/26 for delivery |
| <b>EFF49</b> – Removal of budgets for vacant posts  | 814                                  | 896                                    | Carried forward to 2025/26 for delivery |
| <b>MD006</b> – Booking system for household recycling centre  | 130                                  | 0                                      | Delivered in 25/26                      |
| <b>NI010</b> – Charge for green waste collection  | 2,500                                | 0                                      | Delivered in 25/26                      |
| <b>NI013</b> – Car Parking charges at council offices   | 100                                  | 0                                      | Delivered in 25/26                      |
| <b>RC040</b> – Dispose of Shirehall quicker   | 195                                  | 0                                      | Delivered in 25/26                      |
| <b>RC080</b> – Review and resize overall council staffing   | 2,853                                | 2,799                                  | Carried forward to 2025/26 for delivery |
| <b>RC081</b> – Senior Management Review   | 139                                  | 0                                      | Delivered in 25/26                      |
| <b>RC085</b> – Reduce Third Party Spend   | 1,049                                | 1,045                                  | Carried forward to 2025/26 for delivery |
| <b>RC086</b> – Efficiency Savings across all areas of the Council   | 3,193                                | 3,050                                  | Carried forward to 2025/26 for delivery |
| <b>SC013</b> – Rationalise property and buildings   | 2,500                                | 3,000                                  | Carried forward to 2025/26 for delivery |
| <b>Resources</b>  | <b>6,147</b>                         | <b>7,174</b>                           |   |
| <b>CM007</b> – Increase wider fees and charges  | 144                                  | 50                                     | Carried forward to 2025/26 for delivery |
| <b>EFF101</b> - Staff Budget turnover by 5%   | 47                                   | 915                                    | Carried forward to 2025/26 for delivery |
| <b>EFF105</b> – Getting Leadership Right  | 532                                  | 540                                    | Carried forward to 2025/26 for delivery |
| <b>EFF80</b> – Removal of budget for vacant posts   | 15                                   | 563                                    | Carried forward to 2025/26 for delivery |
| <b>EFF81</b> – Charge staffing costs to capital   | 243                                  | 645                                    | Carried forward to 2025/26 for delivery |
| <b>EFF82</b> – Legal & Governance restructure   | 67                                   | 166                                    | Carried forward to 2025/26 for delivery |



| Savings Reference and Description   | Savings not delivered in 24/25 £'000 | Saving to be delivered in 25/26 £'000 | Comments                                |
|---|--------------------------------------|---------------------------------------|---|
| <b>EFF83</b> – Charge staffing costs to capital   | 57                                   | 57                                    | Carried forward to 2025/26 for delivery |
| <b>EFF84</b> – Charge staffing costs to capital   | 0                                    | 21                                    | Carried forward to 2025/26 for delivery |
| <b>EFF86</b> – Contract rebates and spending reductions   | 28                                   | 28                                    | Carried forward to 2025/26 for delivery |
| <b>EFF87</b> – Digital County   | 100                                  | 100                                   | Carried forward to 2025/26 for delivery |
| <b>EFF88</b> – Review of single person discount and housing benefit applications against data warehouse | 100                                  | 0                                     | Delivered in 25/26                      |
| <b>NI007</b> – Increased income from enhanced memorial and ceremony offer                               | 60                                   | 0                                     | Delivered in 25/26                      |
| <b>RC064</b> – Review and resize HR/OD team (1)   | 20                                   | 0                                     | Delivered in 25/26                      |
| <b>RC065</b> – Review and resize HR/OD team (2)   | 95                                   | 0                                     | Delivered in 25/26                      |
| <b>RC068</b> – Review and resize staffing in the Overview and Scrutiny function                         | 100                                  | 97                                    | Carried forward to 2025/26 for delivery |
| <b>RC072</b> – Review and resize staffing in ICT  | 2                                    | 124                                   | Carried forward to 2025/26 for delivery |
| <b>RC073</b> – Review and resize staffing in Revenues and Benefits                                      | 195                                  | 306                                   | Carried forward to 2025/26 for delivery |
| <b>RC074</b> – cost reductions in Revenue & Benefits arising from Temporary Accommodation provision     | 525                                  | 0                                     | Delivered in 25/26                      |
| <b>RC077</b> – Centralisation of external legal spend   | 100                                  | 0                                     | Delivered in 25/26                      |
| <b>RC080</b> – Review and resize overall council staffing   | 1,884                                | 1,892                                 | Carried forward to 2025/26 for delivery |
| <b>RC081</b> – Senior Management Review   | 142                                  | 0                                     | Delivered in 25/26                      |
| <b>RC085</b> – Reduce Third Party Spend   | 3                                    | 0                                     | Delivered in 25/26                      |
| <b>RC086</b> – Efficiency Savings across all areas of the Council                                       | 1,636                                | 1,670                                 | Carried forward to 2025/26 for delivery |
| <b>SC010</b> – Service efficiencies and increased income from Registrars                                | 50                                   | 0                                     | Delivered in 25/26                      |
| <b>Strategic Management Board</b>   | <b>1,798</b>                         | <b>1,758</b>                          |   |
| <b>CM007</b> – Increase wider fees and charges  | 10                                   | 4                                     | Carried forward to 2025/26 for delivery |
| <b>EFF105</b> – Getting Leadership Right  | 48                                   | 48                                    | Carried forward to 2025/26 for delivery |
| <b>EFF78</b> – Review of customer contact teams across the Council                                      | 1,025                                | 1,025                                 | Carried forward to 2025/26 for delivery |
| <b>EFF80</b> – Removal of budget for vacant posts   | 0                                    | 109                                   | Carried forward to 2025/26 for delivery |
| <b>EFF89</b> – CCTV provision and management  | 75                                   | 0                                     | Delivered in 25/26                      |
| <b>RC078</b> – Out of hours call triage and Shrewsbury Town CCTV  | 165                                  | 47                                    | Carried forward to 2025/26 for delivery |
| <b>RC080</b> – Review and resize overall council staffing   | 290                                  | 371                                   | Carried forward to 2025/26 for delivery |
| <b>RC081</b> – Senior Management Review   | 39                                   | 0                                     | Delivered in 25/26                      |
| <b>RC082</b> – Review and resize staffing in executive support  | 25                                   | 32                                    | Carried forward to 2025/26 for delivery |
| <b>RC086</b> – Efficiency Savings across all areas of the Council                                       | 122                                  | 122                                   | Carried forward to 2025/26 for delivery |
| <b>Corporate Budgets</b>  | <b>4,268</b>                         | <b>2,670</b>                          |   |
| <b>EFF103a</b> – Transformation partner delivers 4 end to end process reviews                           | 771                                  | 0                                     | Delivered in 25/26                      |

| Savings Reference and Description   | Savings not delivered in 24/25<br>£'000 | Saving to be delivered in 25/26<br>£'000 | Comments                                |
|---|---|--|---|
| <b>EFF103b</b> - Transformation partner delivers 4 end to end process reviews | 1,229                                   | 0  | Delivered in 25/26                      |
| <b>EFF107</b> – Contract spend analysis                                       | 250                                     | 0  | Delivered in 25/26                      |
| <b>EFF108</b> – Application of corporate grants                               | 1,349                                   | 2,000                                    | Carried forward to 2025/26 for delivery |
| <b>RC080</b> – Review and resize overall council staffing                     |   | 1  | Carried forward to 2025/26 for delivery |
| <b>RC086</b> – Efficiency Savings across all areas of the Council             | 669                                     | 669                                      | Carried forward to 2025/26 for delivery |
| <b>Total</b>  | <b>42,812</b>                           | <b>41,181</b>                            |   |

## APPENDIX 4

### RECONCILIATION OF OUTTURN POSITION TO SAVINGS DELIVERY AND PRESSURES IDENTIFIED

| Service Area                                  | Outturn<br>Variance<br>(Controllable)<br>£'000 | Savings<br>Pressure<br>in 2024/25<br>£'000 | Ongoing<br>Monitoring<br>Pressure<br>Identified<br>£'000 | Ongoing<br>Monitoring<br>Savings<br>Identified<br>£'000 | One Off<br>Monitoring<br>Pressures<br>Identified<br>£'000 | One Off<br>Monitoring<br>Savings<br>Identified<br>£'000 |
|---|--|--|--|---|---|---|
| <b>Health and Wellbeing</b>                   |  |  |  |   |   |   |
| Integration & Healthy People – Non-Ringfenced | (489)  | 0  | 80   | (178)   | 1,497   | (1,888)   |
| Integration & Healthy People – Ringfenced     | 0  | 0  | 0  | 0   | 673   | (673)   |
| <b>Health &amp; Wellbeing Total</b>           | <b>(489)</b>                                   | <b>0</b>                                   | <b>80</b>  | <b>(178)</b>  | <b>2,171</b>  | <b>(2,561)</b>  |
| <b>People</b>                                 |  |  |  |   |   |   |
| Adult Social Care                             | 16,522   | 3,944                                      | 14,240   | 0   | 1,590   | (3,252)   |
| Children's & Families                         | 9,339  | 1,338                                      | 8,663  | 0   | 5,668   | (6,330)   |
| Education & Achievement                       | 1,631  | 0  | 3,688  | 0   | 446   | (2,502)   |
| Shire Services                                | (217)  | 0  | 0  | 0   | 0   | (217)   |
| Directorate management                        | 3,969  | 3,978                                      | 0  | 0   | 115   | (124)   |
| <b>People Total</b>                           | <b>31,245</b>                                  | <b>9,260</b>                               | <b>26,591</b>  | <b>0</b>  | <b>7,819</b>  | <b>(12,426)</b>   |
| <b>Place</b>                                  |  |  |  |   |   |   |
| Growth & Infrastructure                       | 10,864   | 8,783                                      | 1,561  | (122)   | 2,057   | (1,416)   |
| Homes and Communities                         | 4,049  | 4,962                                      | 2,992  | (165)   | 884   | (4,624)   |
| Directorate Management                        | 157  | 57   | 0  | 0   | 100   | 0   |
| <b>Place Total</b>                            | <b>15,070</b>                                  | <b>13,802</b>                              | <b>4,553</b>   | <b>(287)</b>  | <b>3,041</b>  | <b>(6,040)</b>  |
| <b>Resources</b>                              |  |  |  |   |   |   |
| Finance and Technology                        | 1,302  | 4,565                                      | 0  | 0   | 248   | (3,510)   |
| Workforce and Improvement                     | 899  | 1,095                                      | 0  | 0   | 218   | (414)   |
| Legal and Governance                          | 529  | 357  | 394  | 0   | 278   | (501)   |
| Pensions                                      | 21   | 0  | 0  | 0   | 21  | 0   |
| Directorate Management                        | 1,930  | 2,030                                      | 0  | 0   | 0   | (100)   |
| <b>Resources Total</b>                        | <b>4,681</b>                                   | <b>8,047</b>                               | <b>394</b>   | <b>0</b>  | <b>765</b>  | <b>(4,525)</b>  |
| <b>Strategic Management Board</b>             |  |  |  |   |   |   |
| Chief Executive and PAs                       | 95   | 166  | 0  | 0   | 0   | (71)  |
| Programme Management                          | 216  | 0  | 214  | 0   | 26  | (24)  |
| Communications and Customer Services          | 7  | 977  | 0  | 0   | 13  | (983)   |
| <b>Strategic Management Board Total</b>       | <b>318</b>                                     | <b>1,143</b>                               | <b>214</b>   | <b>0</b>  | <b>39</b>   | <b>(1,078)</b>  |
| <b>Corporate Budgets</b>                      | <b>(16,595)</b>                                | <b>10,560</b>                              | <b>0</b>   | <b>0</b>  | <b>282</b>  | <b>(27,437)</b>   |
| <b>Council Total</b>                          | <b>34,230</b>                                  | <b>42,812</b>                              | <b>31,832</b>  | <b>(465)</b>  | <b>14,117</b>   | <b>(54,066)</b>   |

## APPENDIX 5

### AMENDMENTS TO ORIGINAL BUDGET 2024/25

|   | Total<br>£'000 | Health &<br>Wellbeing<br>£'000 | People<br>£'000 | Place<br>£'000 | Resources<br>£'000 | Strategic<br>Management<br>Board<br>£'000 | Corporate<br>Budgets<br>£'000 |
|---|----------------|--------------------------------|-----------------|----------------|--------------------|---|-------------------------------|
| <b>Original Budget as<br/>Agreed by Council</b> | <b>261,697</b> | <b>349</b>                     | <b>208,153</b>  | <b>65,209</b>  | <b>3,882</b>       | <b>186</b>                                | <b>(16,082)</b>               |
| <b>Quarter 1</b>                                |                |                                |                 |                |                    |   |                               |
| Structure Changes                               | 0              | 0                              | 0               | 0              | 0                  | 0   | 0                             |
| Virements                                       | 0              | 0                              | 150             | (150)          | 0                  | 0   | 0                             |
| <b>Quarter 2</b>                                |                |                                |                 |                |                    |   |                               |
| Structure Changes                               | 0              | 6,540                          | 10,901          | (18,013)       | 36                 | 536                                       | 0                             |
| Virements                                       | 0              | 503                            | (735)           | 191            | 229                | (187)                                     | (1)                           |
| <b>Quarter 3</b>                                |                |                                |                 |                |                    |   |                               |
| Structure Changes                               | 0              | 0                              | 0               | 0              | 0                  | 0   | 0                             |
| Virements                                       | 0              | (208)                          | (826)           | (311)          | (329)              | (69)                                      | 1,743                         |
| <b>Quarter 4</b>                                |                |                                |                 |                |                    |   |                               |
| Structure Changes:                              |                |                                |                 |                |                    |   |                               |
| Louise House                                    | 0              | 0                              | (34)            | 34             | 0                  | 0   | 0                             |
| Reception                                       |                |                                |                 |                |                    |   |                               |
| Welfare & Reform                                | 0              | 0                              | 0               | 366            | 0                  | (366)                                     | 0                             |
| Commercial Service                              | 0              | 0                              | 0               | 37             | 0                  | (37)                                      | 0                             |
| Business  |                |                                |                 |                |                    |   |                               |
| Development                                     |                |                                |                 |                |                    |   |                               |
| Virements:                                      |                |                                |                 |                |                    |   |                               |
| Corporate Landlord                              | 0              | 0                              | (68)            | 68             | 0                  | 0   | 0                             |
| Budgets created for                             |                |                                |                 |                |                    |   |                               |
| new Children's homes                            |                |                                |                 |                |                    |   |                               |
| Correcting previous                             | 0              | 30                             | 18              | 3              | 0                  | 1   | (52)                          |
| pay award                                       |                |                                |                 |                |                    |   |                               |
| adjustments                                     |                |                                |                 |                |                    |   |                               |
| <b>Revised Budget</b>                           | <b>261,697</b> | <b>7,214</b>                   | <b>217,559</b>  | <b>47,434</b>  | <b>3,818</b>       | <b>64</b>                                 | <b>(14,392)</b>               |

## APPENDIX 6

### GENERAL FUND BALANCE

- 6.1 The General Fund reserve at 31st March 2024 stood at £8.237m, below the target level which is £15m-£30m as a minimum. The 2024/25 budget strategy included a contribution of £30.584m to the General Fund balance which would then reach £38.821m.
- 6.2 It is essential that the Council retains the General Fund Balance to be able to mitigate any 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.
- 6.3 The outturn of £34.230m has been identified during the year as a cost pressure against the General Fund.
- 6.4 In 2019/20 – 2023/24, the General Fund was used to offset Shire Services' deficit outturn position, as the Shire Services' earmarked reserve had been fully utilised in 2019/20. This use of the General Fund effectively represents a loan to Shire Services which must be repaid. Shire Services have delivered a surplus in 2024/25 of £0.217m, which can now be used to repay an element of the General Fund contribution. Therefore, the total loan now stands at £1.244m, and it is still intended that this will be repaid within a reasonable time frame.

| General Fund                                     | £'000         |
|--|---------------|
| Balance at 1 <sup>st</sup> April 2024            | 8,237         |
| Budgeted Contribution to GF                      | 30,584        |
| <b>Budgeted General Fund Balance at 31 March</b> | <b>38,821</b> |
| Controllable Overspend*                          | (34,230)      |
| Non controllable insurance underspend            | 232           |
| <b>Balance at 31 March 2025</b>                  | <b>4,823</b>  |

\* The unfunded deficit for Shire Services referred to in para. 6.4 is included within the controllable overspend of £34.230m.

## APPENDIX 7

### HOUSING REVENUE ACCOUNT 2024/25

| As at 31 March 2025                           | Budget<br>£         | Outturn<br>£        | Variance<br>Adverse/<br>(Favourable)<br>£ |
|---|---------------------|---------------------|---|
| <b>Income</b>                                 |                     |                     |   |
| Dwellings Rent                                | (21,534,116)        | (21,525,323)        | 8,792                                     |
| Garage Rent                                   | (102,561)           | (99,371)            | 3,189                                     |
| Other Rent                                    | (32,388)            | (30,674)            | 1,714                                     |
| Charges for Services                          | (918,309)           | (1,424,648)         | (506,339)                                 |
| <b>Total Income</b>                           | <b>(22,587,373)</b> | <b>(23,080,017)</b> | <b>(492,644)</b>                          |
| <b>Expenditure</b>                            |                     |                     |   |
| ALMO Management Fee                           | 10,407,223          | 10,513,244          | 106,020                                   |
| Supplies and Services                         | 900,813             | 1,701,153           | 800,341                                   |
| Capital Charges – Dwelling Depreciation       | 4,771,293           | 4,190,140           | (581,153)                                 |
| Capital Charges – Depreciation Other          | 279,202             | 243,990             | (35,212)                                  |
| Repairs charged to revenue                    | 635,000             | 634,473             | (527)                                     |
| New Development Feasibility                   | 266,750             | 109,956             | (156,794)                                 |
| Increase in Bad Debt Provision                | 106,391             | 50,000              | (56,391)                                  |
| Corporate & Democratic Core                   | 389,716             | 451,310             | 61,594                                    |
| <b>Total Expenditure</b>                      | <b>17,756,388</b>   | <b>17,894,266</b>   | <b>137,878</b>                            |
| <b>Net Cost of Services</b>                   | <b>(4,830,985)</b>  | <b>(5,185,751)</b>  | <b>(354,766)</b>                          |
| Loan repayments                               | 3,600               | 0                   | (3,600)                                   |
| Interest Paid                                 | 3,239,903           | 3,455,326           | 215,423                                   |
| Interest Received                             | (218,772)           | (1,393,552)         | (1,174,780)                               |
| <b>Net Operating (Income)/Expenditure</b>     | <b>(1,806,254)</b>  | <b>(3,123,977)</b>  | <b>(1,317,723)</b>                        |
| <b>Net Cost of Service/(Surplus) for Year</b> | <b>(1,806,254)</b>  | <b>(3,123,977)</b>  | <b>(1,317,723)</b>                        |
| <b>HRA Reserve</b>                            |                     |                     |   |
| Brought forward 1 April                       | (11,736,616)        | (11,736,616)        | 0   |
| (Surplus)/Deficit for year                    | (1,806,254)         | (3,123,977)         | (1,317,723)                               |
| <b>Carried Forward 31 March</b>               | <b>(13,542,870)</b> | <b>(14,860,593)</b> | <b>(1,317,723)</b>                        |

## APPENDIX 8

### EARMARKED RESERVES

8.1 The change in revenue reserves and provisions are detailed on the table below and shows a reduction in the overall reserves and provisions held.

#### Movement in Reserves and Provisions 2024/25

|   | Reserves<br>£'000 | Provisions<br>£'000 | Bad Debt<br>Provisions<br>£'000 | Total<br>Reserves and<br>Provisions<br>£'000 |
|---|-------------------|---------------------|---------------------------------|--|
| As at 31 March 2024   | 35,407            | 8,955               | 22,077                          | 66,439                                       |
| As at 31 March 2025   | 25,455            | 11,226              | 22,032                          | 58,713                                       |
| <b>Increase/(Decrease)</b>  | <b>(9,952)</b>    | <b>2,271</b>        | <b>(45)</b>                     | <b>(7,726)</b>                               |
| Delegated School<br>Balances Movement                                     | (647)             | 0                   | 0                               | (647)  |
| <b>Increase/(Decrease)<br/>(excluding Delegated<br/>Schools Balances)</b> | <b>(9,305)</b>    | <b>2,271</b>        | <b>(45)</b>                     | <b>(7,079)</b>                               |

#### Schedule of Earmarked Reserves and Provisions:

|  | Purpose of Balance  | Balance<br>Brought<br>Forward<br>(£'000) | Expenditure<br>in 2024/25<br>(£'000) | Income in<br>2024/25<br>(£'000) | Balance<br>Carried<br>Forward<br>(£'000) |
|--|---|--|--------------------------------------|---------------------------------|--|
| <b>Reserves</b>  |   |  |                                      |                                 |  |
| <b>Sums set aside for major schemes, such as capital developments, or to fund major reorganisation</b> |   |  |                                      |                                 |  |
| Redundancy   | Required to meet one-off costs arising from approved staffing reductions, allowing the full approved savings in salaries or wages to reach the revenue account.   | 2,000                                    | -2,210                               | 210                             | 0  |
| Revenue commitments for future capital expenditure   | Comprises of underspends against budgeted revenue contributions available for capital schemes. The underspends have arisen due to slippage in capital schemes or because other funding streams were utilised during the year so as to maximise time limited grants. | 3,199                                    | -324                                 | 335                             | 3,210                                    |
| Development reserve  | Required to fund development projects or training that will deliver efficiency savings.   | 5,696                                    | -10,493                              | 6,000                           | 1,204                                    |
| Invest to save reserve   | Required to fund invest to save projects in order to deliver the service transformation programme.  | 1,379                                    | -888                                 | 0                               | 491                                      |
|  |   | <b>12,274</b>                            | <b>-13,914</b>                       | <b>6,544</b>                    | <b>4,904</b>                             |
| <b>Insurance reserves</b>  |   |  |                                      |                                 |  |
| Fire liability   | Required to meet the cost of excesses on all council properties.  | 1,051                                    | -385                                 | 173                             | 838                                      |
| Motor insurance  | An internally operated self-insurance reserve to meet costs not covered by the council's motor insurance policy.  | 533                                      | -28                                  | 106                             | 611                                      |

|   | Purpose of Balance  | Balance Brought Forward (£'000) | Expenditure in 2024/25 (£'000) | Income in 2024/25 (£'000) | Balance Carried Forward (£'000) |
|---|---|---------------------------------|--------------------------------|---------------------------|---------------------------------|
|   |   | 1,584                           | -414                           | 280                       | 1,450                           |
| <b>Reserves of trading and business units</b>         |   |                                 |                                |                           |                                 |
| Shire catering and cleaning efficiency                | Built up from trading surpluses to invest in new initiatives, to meet exceptional unbudgeted costs or cover any trading deficits.   | 0                               | -2                             | 2                         | 0                               |
|   |   | 0                               | -2                             | 2                         | 0                               |
| <b>Reserves retained for service departmental use</b> |   |                                 |                                |                           |                                 |
| Building control                                      | Required to manage the position regarding building control charges.   | 311                             | -37                            | 0                         | 274                             |
| Care act & IBCF reserve                               | Required to fund the costs of implementing the care act requirements within the council. This will be committed to the costs of one off posts required to implement the changes and training costs for staff within adult services. Plus unspent IBCF monies required to fund the IBCF programme in future years. | 1,022                           | -943                           | 0                         | 79                              |
| Economic development workshops major maintenance      | Established to meet the costs of major maintenance of economic development workshops.   | 149                             | 0                              | 0                         | 149                             |
| External fund reserve                                 | Reserves held where the council is the administering body for trust funds or partnership working.   | 2,125                           | -495                           | 94                        | 1,723                           |
| Financial strategy reserve                            | Established specifically to provide one off funding for savings proposals in the financial strategy   | 0                               | -4,250                         | 4,250                     | 0                               |
| Highways development & innovation fund                | Set aside funds for pump priming the development and innovation programme.  | 600                             | -500                           | 0                         | 100                             |
| New homes bonus                                       | Established from unapplied new homes bonus grant balances.  | 834                             | -187                           | 0                         | 647                             |
| Public health reserve                                 | This reserve includes balances committed to specific public health projects.  | 3,220                           | -843                           | 741                       | 3,118                           |
| Repairs & maintenance reserve                         | Set aside for known repairs and maintenance required to council owned properties.   | 246                             | -33                            | 0                         | 214                             |
| Resources efficiency                                  | Established for investment in new developments, particularly information technology, that service area would not be expected to meet from their internal service level agreements for support services.   | 495                             | -89                            | 188                       | 593                             |
| Revenue commitments from unringfenced revenue grants  | Established from unapplied unringfenced grant balances. Commitments have been made against these balances in 2024/25  | 3,341                           | -1,644                         | 2,215                     | 3,911                           |
| Severe weather  | Required to meet unbudgeted costs arising from the damage caused by severe weather. The policy of the council is to budget for an average year's expenditure in the revenue accounts and transfer any underspend to the reserve or fund any overspend from the reserve.   | 315                             | -315                           | 0                         | 0                               |
| TMO vehicle replacement                               | Set up to meet the costs of replacement vehicles by the integrated transport unit.  | 37                              | 0                              | 0                         | 37                              |



|   | Purpose of Balance   | Balance Brought Forward (£'000) | Expenditure in 2024/25 (£'000) | Income in 2024/25 (£'000) | Balance Carried Forward (£'000) |
|---|--|---------------------------------|--------------------------------|---------------------------|---------------------------------|
|   |  | 12,693                          | -9,336                         | 7,487                     | 10,844                          |
| <b>School balances</b>                                |  |                                 |                                |                           |                                 |
| Balances held by schools under a scheme of delegation | Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion.   | 7,340                           | -7,784                         | 7,138                     | 6,693                           |
| Schools building maintenance insurance                | The schools building maintenance insurance scheme is a service provided by property services for schools. In return for an annual sum all structural repairs and maintenance responsibilities previously identified as the "authority's responsibility" are carried out at no additional charge to the school. | 1,516                           | 0                              | 48                        | 1,564                           |
|   |  | 8,856                           | -7,784                         | 7,185                     | 8,257                           |
| <b>Total Reserves</b>                                 |  | 35,407                          | -31,450                        | 21,497                    | 25,455                          |
| <b>Provisions</b>                                     |  |                                 |                                |                           |                                 |
| Accumulated absences account                          | Provision to cover potential future payments of employee benefits not taken as at the end of the year. This is required under IFRS accounting regulations.   | 2,545                           | 3,213                          | -2,545                    | 3,213                           |
| Other provisions - short term                         | Includes a number of small provisions including environmental maintenance contract commitments and shopping centre rental payments   | 161                             | 1,741                          | -5                        | 1,897                           |
| Other provisions - long term                          | Includes a number of small provisions including s106 accrued interest, profit share agreements and shopping centre rental payments.  | 73                              | 0                              | -73                       | 0                               |
| Tenancy deposit clawbacks                             | This represents deposits held for the economic development workshops that may be repaid at some point in the future.   | 243                             | 29                             | -28                       | 244                             |
| Liability insurance                                   | Provision to meet the estimated actuarial valuation of claims for public liability and employers' liability  | 3,978                           | 875                            | -885                      | 3,968                           |
| NDR appeals   | Represents the council's share of the provision held for successful appeals against business rates.  | 1,955                           | 2,659                          | -2,711                    | 1,904                           |
| Council tax bad debt                                  | Held for potential write offs of council tax debtor balances.  | 12,352                          | 634                            | -317                      | 12,669                          |
| NDR bad debt  | Held for potential write offs of NDR debtor balances.  | 2,477                           | 131                            | 3                         | 2,610                           |
| General fund bad debts                                | Held for potential write offs of debtor balances for general fund services including housing benefits.   | 6,862                           | 1,082                          | -1,538                    | 6,406                           |
| HRA bad debts   | Held for potential write offs of debtor balances for housing revenue account rents and other debtor balances.  | 386                             | 50                             | -89                       | 347                             |
| Other provisions - long term                          | Includes a number of small provisions including s106 accrued interest, profit share agreements and shopping centre rental payments.  | 73                              | 0                              | -73                       | 0                               |
| <b>Total Provisions</b>                               |  | 31,032                          | 10,414                         | -8,188                    | 33,258                          |
| <b>Total Reserves &amp; Provisions</b>                |  | 66,439                          | -21,036                        | 13,309                    | 58,712                          |

## Delegated School Balances

8.2 The movement in delegated schools' balances are detailed in the table below.

### Movement in delegated school balances 2024/25

|  | 2023/24<br>£'000 | 2024/25<br>£'000 | Increase/<br>(Decrease)<br>£'000 |
|--|------------------|------------------|----------------------------------|
| Schools:                               |                  |                  |                                  |
| - Revenue Balances                     | 6,083            | 4,703            | (1,380)                          |
| - Invested Balances                    | 459              | 1,211            | 752                              |
| - Extended Schools Activities balance  | 797              | 779              | (18)                             |
| <b>Total Delegated School Balances</b> | <b>7,340</b>     | <b>6,693</b>     | <b>(646)</b>                     |

8.3 Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion. Of the 84 schools with balances, 9 have deficit balances.

8.4 The Extended Schools activities allocations for schools have decreased marginally during 2024/25. These balances are ringfenced to each individual school within School Balances.

8.5 In 2020, new reporting requirements were introduced to establish a new reserve for Dedicated Schools Grant (DSG) balances. For those local authorities with a DSG balance surplus, the requirement is that the surplus is held in an earmarked useable reserve, and any deficit is held in an unusable reserve named the DSG Adjustment Account. In 2023/24 the Council held a DSG deficit of £2.304m, and this has increased further to £17.651m.

## APPENDIX 9

### REVISED CAPITAL PROGRAMME

| Detail                         | Agreed Capital Programme - Council 29/02/24 | Slippage & Budget Changes Approved To Quarter 3 2024/25 | Quarter 4 Budget Changes to be Approved | Revised 2024/25 Capital Programme Quarter 4 |
|--------------------------------|---|---|---|---|
|                                | £m  | £m  | £m                                      | £m  |
| <b>General Fund</b>            |   |   |   |   |
| Adult Services                 | -   | 1.736   | 0.138                                   | 1.873                                       |
| Childrens Services             | 9.025                                       | 0.579   | 0.380                                   | 9.984                                       |
| Place                          | 79.126                                      | 1.193   | 2.025                                   | 82.345                                      |
| Resources                      | 0.100                                       | -   | -                                       | 0.100                                       |
| Strategic Management Board     | -   | 0.165   | (0.030)                                 | 0.135                                       |
| <b>Total General Fund</b>      | <b>88.251</b>                               | <b>3.673</b>  | <b>2.513</b>                            | <b>94.437</b>                               |
| <b>Housing Revenue Account</b> | 29.253                                      | (10.484)  | (0.566)                                 | 18.202                                      |
| <b>Total Approved Budget</b>   | <b>117.504</b>                              | <b>(6.811)</b>  | <b>1.946</b>                            | <b>112.640</b>                              |

## APPENDIX 10

### CAPITAL PROGRAMME OUTTURN POSITION BY DIRECTORATE 2024/25

| Detail                         | Revised Capital Programme -<br>Outturn 2024/25<br>£m | Actual Expenditure<br>31/03/2025<br>£m | Variance<br>£m | Spend To Budget<br>% |
|--------------------------------|--|--|----------------|----------------------|
| <b>General Fund</b>            |  |  |                |                      |
| Health & Wellbeing             | 1.873  | 2.234                                  | (0.360)        | -                    |
| People                         | 9.984  | 6.754                                  | 3.230          | 67.6%                |
| Place                          | 82.345   | 81.20                                  | 1.147          | 98.6%                |
| Resources                      | 0.100  | 0.223                                  | (0.123)        | 223.3%               |
| Strategic Management Board     | 0.135  |  |                |                      |
| <b>Total General Fund</b>      | <b>94.437</b>  | <b>90.409</b>                          | <b>3.894</b>   | <b>95.7%</b>         |
| <b>Housing Revenue Account</b> | <b>18.202</b>  | <b>17.353</b>                          | <b>0.849</b>   | <b>95.3%</b>         |
| <b>Total Approved Budget</b>   | <b>112.640</b>                                       | <b>107.761</b>                         | <b>4.743</b>   | <b>95.7%</b>         |

## APPENDIX 11

### SUMMARY OF SIGNIFICANT VARIANCES BETWEEN REVISED OUTTURN BUDGET AND OUTTURN EXPENDITURE BY DIRECTORATE AND SERVICE AREAS FOR 2024/25

The overall capital programme, both General Fund and HRA, outturned at £107.820m expenditure against a budget profile of £112.640m for the 2024/25 financial year, a £74.819m underspend against expected profile or 97.5% expenditure against budget.

**Health & Wellbeing** - Total overspend against Health & Wellbeing capital programme was £0.360m against profile.

**People** - Total underspend against People capital programme was £3.230m against profile.

#### Education

**Devolved Formula Capital/Energy Efficiency Grant** - spend of £0.533m against budget £1.212m. Expenditure from this programme is controlled by schools. In general schools use this funding for a variety of small and medium projects and procuring IT equipment. As with other programmes funded through standards fund grant, the expenditure is not immediately reflected in capital accounts, and unspent balances can be carried forward to subsequent financial years. Underspend £0.679m rephased to 2025/26 programme.

**Condition Funding** - spend of £1.407m against budget of £2.377m. This fund is used to maintain school buildings through a prioritised planned delivery programme. Most works have to be scheduled during school closure periods and natural rephasing of schemes occurs in order to enable this. Underspend of £1.0m rephased to 2025/26 programme.

**Warm Homes Fund** - The project for this financial year was Phase 2 of the Home Upgrade Grant. The budget was £2.743m and the spend £3.866m. While this is an overspend of £1.123m this budget was allocated to 2025/26, and the work was completed quicker than expected as the grant is due to finish in July 2025. This is funded by grant from DESNZ and the final accounts on this project will be submitted shortly.

#### Place - Growth & Infrastructure

**Highways Maintenance** - Spend on highways infrastructure amounted to £23.2m for this programme of work which includes Highways, Structures, Lighting and Drainage. This has been funded from Government Grants of £9.155m Highway Maintenance Grant, £9.155m from the Government Pot Hole Fund, £2.289m Incentive Fund and £2.618m Network North Funding.

This service area outturned at £0.731m overspend. This was predominantly as a result of increased expenditure on Highway Capital repairs and will be financed from the 25/26 budget allocation. Over £10 million has supported a programme of proactive patching treatments across the county.

**North-West Relief Road** - Expenditure outturned above budget profile in 2024/25 by the sum of £1.933m resulting from costs incurred in finalising planning condition requirements and the final stages in production of the Final Business Case submission for the Department for Transport, but not above the overall budget delegation approved. This overspend has been re-profiled from the 2025/26 budget accordingly with no further major expenditure expected to be incurred until the outcome of the next phase of development is confirmed.

**Flood Defence and Water Management** - Outturn position overall £1.120m underspend against budget. Shropshire Council is acting as project lead on a number of Environment Agency funded Demonstrator Flood Prevention Projects and mitigations, including the Rea Brook project, Guilsfield Brook project and further innovation and technological intervention projects. This is grant funding that will be rephased into the 2025/26 programme for delivery.

**Electric Vehicle Charging Points (OZEV)** - The project to install Electric Vehicle Charging Points across the County is coming to its final stages of installation. This project which is part funded from OZEV Grant has now been extended into the 2025/26 financial year with the remaining budget of £0.5m being used for the final installation points.

**Integrated Transport Grant** - Outturn Position overall £1.570m underspend against budget. This is due to timing delivery of smaller schemes required to improve road safety and improvements across the County that have been delayed until the 2025/26 financial year.

**S106 and CIL Highways Schemes** - Outturn position £0.843m underspend against budget profile. Ensuring schemes are delivered to the correct mitigation required and that developer contribution funding is used as efficiently and effectively as possible has seen a delay in actual scheme delivery to the 2025/26 financial year on some projects. This budget has been carried forward into the 2025/26 financial year for scheme delivery.

**The River Severn Partnership Advanced Wireless Region** - The River Severn Partnership Advanced Wireless Innovation Region is a £4m initiative, wholly funded by the Department for Science, Innovation and Technology and managed by Shropshire Council on behalf of the River Severn Partnership. This scheme has now officially been extended into the 2025/26 financial year, with additional funding also being awarded to deliver the project. The underspend of funding from 2024/25 of £1.0m has been rolled into the 2025/26 financial year for delivery and finalisation of the scheme by September 2025.

**Commercial Investment Programme: Biochar** - The Pyrolysis project had a budget of £1.491m but only a spend of £0.302m due to legacy issues with the chosen site of Coder Road. Although the site was the most appropriate one from the three identified, there remained the tanks from the decommissioned Anaerobic digester which had been left with waste inside. The task of testing and surveying the tanks to arrange for a suitable removal along with delays in planning permission due to the unique nature of this project has caused an interruption in the timeline pushing the costs through to 2025/26.

**Resources** - Total overspend against Resources capital programme was £0.123m against profile.

**Strategic Management Board** - Total underspend against Strategic Management Board capital programme was £0.076m against profile.

**Housing Revenue Account** - Total underspend against the HRA programme was £0.849m.

**Repairs Programme** - During 2024/25 there was a total spend of £7.861m on capital related improvements to HRA properties against a budget of £7.193m, so an overspend against budget of £0.668m which has been financed from the Major Repairs Reserve Fund. Some major investment areas include works on Fire Safety Improvements £1.244m, roof replacement works £1.516m and upgrades to heating systems £0.842m.

## APPENDIX 12

### REVISED CAPITAL PROGRAMME FINANCING 2024/25

| Detail  | Agreed Capital Programme - Council 29/02/24 | Slippage & Budget Changes Approved To Quarter 3 2024/25 | Quarter 4 Budget Changes to be Approved | Revised 2024/25 Capital Programme Quarter 4 |
|---|---|---|---|---|
|   | £m  | £m  | £m                                      | £m  |
| <b>Financing</b>  |   |   |   |   |
| Self Financed Prudential Borrowing *                      | 40.024                                      | (17.466)  | 0.373                                   | 22.931                                      |
| SALIX Loan  | -   | -   | -                                       | -   |
| Government Grants   | 57.032                                      | 3.451   | 1.117                                   | 61.600                                      |
| Other Grants  | 0.156                                       | 0.693   | (0.054)                                 | 0.794                                       |
| Other Contributions                                       | 5.461                                       | 11.020  | 1.416                                   | 17.897                                      |
| Revenue Contributions to Capital                          | 0.231                                       | 0.412   | 0.617                                   | 1.260                                       |
| Major Repairs Allowance                                   | 4.828                                       | 4.653   | (1.798)                                 | 7.683                                       |
| Corporate Resources (expectation - Capital Receipts only) | 9.772                                       | (9.573)   | 0.276                                   | 0.475                                       |
| <b>Total Confirmed Funding</b>                            | <b>117.504</b>                              | <b>(6.811)</b>  | <b>1.946</b>                            | <b>112.640</b>                              |

\* Borrowing for which on-going revenue costs are financed by the Service, usually from revenue savings generated from the schemes.



## APPENDIX 13

### CAPITAL PROGRAMME 2025/26 to 2027/28

| Detail  | 2025/26        | 2026/27       | 2027/28       |
|---|----------------|---------------|---------------|
|   | £m             | £m            | £m            |
| <b>General Fund</b>                                       |                |               |               |
| Health & Wellbeing  | 0.653          | 0.150         | 0.200         |
| People  | 9.146          | 8.491         | 3.550         |
| Place & Enterprise  | 121.878        | 44.065        | 34.462        |
| Resources   | 0.000          | -             | -             |
| <b>Total General Fund</b>                                 | <b>131.677</b> | <b>52.706</b> | <b>38.212</b> |
| <b>Housing Revenue Account</b>                            | <b>20.897</b>  | <b>19.644</b> | <b>7.000</b>  |
| <b>Total Approved Budget</b>                              | <b>152.574</b> | <b>72.350</b> | <b>45.212</b> |
| <b>Financing</b>  |                |               |               |
| Self Financed Prudential Borrowing *                      | 25.109         | 19.398        | 6.979         |
| SALIX Loan  | -              | -             | -             |
| Government Grants   | 98.946         | 37.889        | 30.787        |
| Other Grants  | 0.232          | 0.012         | -             |
| Other Contributions                                       | 8.915          | 1.141         | 1.419         |
| Revenue Contributions to Capital                          | 0.873          | 0.347         | -             |
| Major Repairs Allowance                                   | 5.560          | 5.000         | 5.000         |
| Corporate Resources (expectation - Capital Receipts only) | 12.940         | 8.564         | 1.027         |
| <b>Total Confirmed Funding</b>                            | <b>152.574</b> | <b>72.350</b> | <b>45.212</b> |

\* Borrowing for which on-going revenue costs are financed by the Service, usually from revenue savings generated from the schemes.

## APPENDIX 14

### PROJECTED CAPITAL RECEIPTS POSITION

The Council's 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. A RAG analysis has been applied for capital receipts projected, based on the current likelihood of generating them by the end of each financial year. Those marked as green are highly likely to be completed by the end of the financial year, amber achievable but challenging and thus there is a risk of slippage, and 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 this financial year as there may be delays between exchanging contracts and completing.

The Council's requirement for capital receipts of £26.407m reported at Quarter 3 was primarily due to the need to fund the Council's transformational activities: the Voluntary Redundancy Programme, compulsory redundancies, specific transformation projects and the Council's Strategic Transformation Partner. In February 2025 the Council applied to the Government for a capitalisation direction, which has been approved in principle and creates the ability for the Council to borrow to fund its' transformational activities in 2024-25 and so protect capital receipts.

An amount of £26.900m was approved and of this a total of £26.823m has been utilised to fund transformational activities in 2024-25. This successful submission has significantly improved the Council's capital receipts position as shown in the table below.

|  | 2024/25             | 2025/26           | 2026/27            | 2027/28             |
|--|---------------------|-------------------|--------------------|---------------------|
| Corporate Resources Allocated in Capital Programme                                     | - 80,929,35         | 13,116,225        | 8,564,314          | 1,027,267           |
| Capital Programme Ring-fenced receipt requirements                                     | -                   | 23,702,067        | 4,200,000          | 4,000,000           |
| Transformation activities  | 26,823,219          | 13,574,595        | -                  | -                   |
| Transformation activities funded with EFS Approval                                     | - 26,823,219        |                   |                    |                     |
| <b>Total Commitments</b>   | <b>- 80,929</b>     | <b>50,392,887</b> | <b>12,764,314</b>  | <b>5,027,267</b>    |
| <b>Capital Receipts in hand/projected:</b>   |                     |                   |                    |                     |
| Brought Forward in hand  | 15,175,259          | 24,432,326        | - 7,341,820        | - 20,041,134        |
| Generated 2024/25 YTD  | 9,176,138           | -                 | -                  | -                   |
| Projected - 'Green'  | -                   | 18,618,741        | 65,000             | 65,000              |
| <b>Total in hand/projected</b>   | <b>24,351,397</b>   | <b>43,051,067</b> | <b>- 7,276,820</b> | <b>- 19,976,134</b> |
| <b>Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward</b> | <b>- 24,432,326</b> | <b>7,341,820</b>  | <b>20,041,134</b>  | <b>25,003,401</b>   |
| Further Assets Being Considered for Disposal (Amber/Red)                               | -                   | 40,061,130        | 12,550,750         | 8,931,170           |

Capital receipts of £9.176m were realised in year, resulting in an in-year capital receipts surplus of £9.257m and a cumulative capital receipts surplus of £24.432m in hand as at 31/03/2025. These receipts will be set-aside, enabling the Council to achieve an additional MRP saving of £0.222m in 2025/26. These capital receipts are required to finance schemes they are allocated to in the future years' capital programme.

Based on the current approved position, across the life of the programme there are significant shortfalls in capital receipt projections of £7.342m, £20.041m and £25.003m in 2025/26, 2026/27 and 2027/28 respectively based on receipts rated

green in the RAG analysis to fund the required budget in the capital programme, further transformation programme commitments and the ongoing Voluntary Redundancy (VR) Programme initiated to achieve significant revenue budget savings. There is, therefore, the requirement to progress the disposals currently rated amber and red to ensure 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. In addition to the current expenditure commitments, the programme will also grow as new schemes are approved. Officers are continuing to explore the potential to accelerate the realisation of capital receipts and to identify additional opportunities to achieve further capital receipts.

It is important that work progresses, to avoid funding shortfalls in 2025/26, 2026/27 and 2027/28 and minimise any shortfall in future years. Failure to generate the required level of capital receipts will result in the need to further reduce or re-profile the capital programme, some of which will occur naturally as part of the review of the delivery of schemes; or undertake prudential borrowing, which will incur future year's revenue costs that are not budgeted in the revenue financial strategy.

The projected shortfall in capital receipts is purely based on the currently approved capital programme for the period 2025-26 to 2027-28. The current Capital Strategy 2023-24 to 2028-29, approved by Council in February 2024, identifies potential future priority capital schemes with estimated costs of £19.350m.

## APPENDIX 15

### Shropshire Council - Capital Programme 2024/25 - 2027/28

#### Capital Programme Summary Outturn 2024/25

| Directorate                    | Revised Budget Quarter 3<br>2024/25<br>£ | Budget Variations Quarter 4<br>2024/25<br>£ | Revised Budget Quarter 4<br>2024/25<br>£ | Actual Spend<br>£  | Spend to Budget Variance<br>£ | % Budget Spend | Outturn Projection<br>£ | 2025/26 Revised Budget<br>£ | 2026/27 Revised Budget<br>£ | 2027/28 Revised Budget<br>£ |
|--------------------------------|--|---|--|--------------------|-------------------------------|----------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>General Fund</b>            |  |   |  |                    |                               |                |                         |                             |                             |                             |
| Health & Wellbeing             | 1,735,974                                | 137,523                                     | 1,873,497                                | 2,233,739          | -360,242                      | 119.23%        | 1,873,497               | 653,036                     | 150,000                     | 200,346                     |
| People                         | 9,604,306                                | 379,869                                     | 9,984,175                                | 6,754,166          | 3,230,009                     | 67.65%         | 9,984,175               | 9,145,509                   | 8,491,035                   | 3,550,000                   |
| Place                          | 80,319,443                               | 2,025,308                                   | 82,344,751                               | 81,197,399         | 1,147,352                     | 98.61%         | 82,344,751              | 121,878,235                 | 44,064,781                  | 34,461,964                  |
| Resources                      | 100,000                                  | 0   | 100,000                                  | 223,313            | -123,313                      | 223.31%        | 100,000                 | 0                           | 0                           | 0                           |
| Strategic Management Board     | 165,000                                  | (30,000)                                    | 135,000                                  | 58,971             | 76,029                        | 43.68%         | 135,000                 | 0                           | 0                           | 0                           |
| <b>Total General Fund</b>      | <b>91,924,723</b>                        | <b>2,512,700</b>                            | <b>94,437,423</b>                        | <b>90,467,588</b>  | <b>3,969,835</b>              | <b>95.80%</b>  | <b>94,437,423</b>       | <b>131,676,780</b>          | <b>52,705,816</b>           | <b>38,212,310</b>           |
| <b>Housing Revenue Account</b> | <b>18,768,515</b>                        | <b>-566,432</b>                             | <b>18,202,083</b>                        | <b>17,352,777</b>  | <b>849,306</b>                | <b>95.33%</b>  | <b>18,202,083</b>       | <b>20,897,416</b>           | <b>19,644,363</b>           | <b>7,000,000</b>            |
| <b>Total Approved Budget</b>   | <b>110,693,238</b>                       | <b>1,946,268</b>                            | <b>112,639,506</b>                       | <b>107,820,365</b> | <b>4,819,141</b>              | <b>95.72%</b>  | <b>112,639,506</b>      | <b>152,574,196</b>          | <b>72,350,179</b>           | <b>45,212,310</b>           |

## Shropshire Council - Capital Programme Budget Outturn Report 2024/25

| Directorate<br>Service Area  | Revised Budget Quarter 3<br>2024/25<br>£ | Budget Virements Quarter 4<br>2024/25<br>£ | Revised Budget Quarter 4<br>2024/25<br>£ | Actual Spend<br>£  | Spend to Budget Variance<br>£ | % Budget Spend | Outturn Projection<br>£ | 2025/26 Revised Budget<br>£ | 2026/27 Revised Budget<br>£ | 2027/28 Revised Budget<br>£ |
|--|--|--|--|--------------------|-------------------------------|----------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>General Fund</b>  |  |  |  |                    |                               |                |                         |                             |                             |                             |
| <b>Health &amp; Wellbeing</b>                                      | <b>1,735,974</b>                         | <b>137,523</b>                             | <b>1,873,497</b>                         | <b>2,233,739</b>   | <b>-360,242</b>               | <b>119.23%</b> | <b>1,873,497</b>        | <b>653,036</b>              | <b>150,000</b>              | <b>200,346</b>              |
| Public Health Capital  | 0  | 0  | 0  | 0                  | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| Regulatory Services Capital  | 0  | 0  | 0  | 0                  | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| Planning Policy Capital  | 1,180,669                                | 100,000                                    | 1,280,669                                | 1,857,542          | -576,873                      | 145.04%        | 1,280,669               | 471,486                     | 150,000                     | 200,346                     |
| Development Management Capital                                     | 167,794                                  | 126,853                                    | 294,647                                  | 216,156            | 78,491                        | 73.36%         | 294,647                 | 40,500                      | 0                           | 0                           |
| Libraries Capital  | 387,511                                  | -89,330                                    | 298,181                                  | 160,041            | 138,140                       | 53.67%         | 298,181                 | 141,050                     | 0                           | 0                           |
| <b>People</b>  | <b>9,604,306</b>                         | <b>379,869</b>                             | <b>9,984,175</b>                         | <b>6,754,166</b>   | <b>3,230,009</b>              | <b>67.65%</b>  | <b>9,984,175</b>        | <b>9,145,509</b>            | <b>8,491,035</b>            | <b>3,550,000</b>            |
| Adult Social Care Contracts & Provider Capital                     | 0  | 0  | 0  | 0                  | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| Adult Social Care Operations Capital                               | 539,715                                  | 0  | 539,715                                  | 275,435            | 264,280                       | 51.03%         | 539,715                 | 150,000                     | 0                           | 0                           |
| Children's Residential Care Capital                                | 169,426                                  | 0  | 169,426                                  | 58,999             | 110,427                       | 34.82%         | 169,426                 | 130,000                     | 0                           | 0                           |
| Non Maintained Schools Capital                                     | 3,322,078                                | 143,539                                    | 3,465,617                                | 2,986,234          | 479,383                       | 86.17%         | 3,465,617               | 758,680                     | 0                           | 0                           |
| Primary School Capital   | 3,457,660                                | 24,287                                     | 3,481,947                                | 2,542,029          | 939,918                       | 73.01%         | 3,481,947               | 1,722,224                   | 800,000                     | 0                           |
| Secondary School Capital   | 68,538                                   | 0  | 68,538                                   | 67,757             | 781                           | 98.86%         | 68,538                  | 0                           | 0                           | 0                           |
| Special Schools Capital  | 131                                      | 0  | 131                                      | 131                | 0                             | 99.88%         | 131                     | 0                           | 0                           | 0                           |
| Unallocated School Capital   | 324,722                                  | -102,459                                   | 222,263                                  | 0                  | 222,263                       | 0.00%          | 222,263                 | 6,314,121                   | 7,679,287                   | 3,550,000                   |
| Primary School Managed Capital                                     | 1,657,885                                | -10,441                                    | 1,647,444                                | 515,139            | 1,132,305                     | 31.27%         | 1,647,444               | 0                           | 0                           | 0                           |
| Secondary School Managed Capital                                   | 52,971                                   | 0  | 52,971                                   | 7,561              | 45,410                        | 14.27%         | 52,971                  | 0                           | 0                           | 0                           |
| Special Schools Managed Capital                                    | 11,180                                   | 0  | 11,180                                   | 11,180             | 0                             | 100.00%        | 11,180                  | 0                           | 0                           | 0                           |
| Shropshire Music Service Capital                                   | 0  | 35,243                                     | 35,243                                   | 0                  | 35,243                        | 0.00%          | 35,243                  | 70,484                      | 11,748                      | 0                           |
| Environment and Transport (Public Transport) Capital               | 0  | 289,700                                    | 289,700                                  | 289,700            | 0                             | 100.00%        | 289,700                 | 0                           | 0                           | 0                           |
| <b>Place Capital - Growth &amp; Infrastructure</b>                 | <b>59,611,581</b>                        | <b>-146,313</b>                            | <b>59,465,268</b>                        | <b>54,381,229</b>  | <b>5,084,039</b>              | <b>91.45%</b>  | <b>59,465,268</b>       | <b>111,094,840</b>          | <b>37,884,503</b>           | <b>27,636,964</b>           |
| Property & Asset Capital   | 12,827,225                               | 55,555                                     | 12,882,780                               | 10,199,182         | 2,683,598                     | 79.17%         | 12,882,780              | 21,067,384                  | 7,800,000                   | 3,979,479                   |
| Broadband Capital  | 4,519,432                                | 6,510                                      | 4,525,942                                | 3,283,505          | 1,242,437                     | 72.55%         | 4,525,942               | 2,162,045                   | 1,500,000                   | 1,420,485                   |
| Growth & Development Capital                                       | 6,174,322                                | -63,171                                    | 6,111,151                                | 6,912,494          | -801,343                      | 113.11%        | 6,111,151               | 6,840,112                   | 5,000,000                   | 0                           |
| Highways Capital   | 36,090,602                               | -145,207                                   | 35,945,395                               | 33,986,048         | 1,959,347                     | 94.55%         | 35,945,395              | 81,025,299                  | 23,584,503                  | 22,237,000                  |
| Environment & Transport Capital                                    | 0  | 0  | 0  | 0                  | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| <b>Place Capital - Homes &amp; Communities</b>                     | <b>20,707,862</b>                        | <b>2,171,621</b>                           | <b>22,879,483</b>                        | <b>26,816,170</b>  | <b>-3,936,687</b>             | <b>117.21%</b> | <b>22,879,483</b>       | <b>10,783,395</b>           | <b>6,180,278</b>            | <b>6,825,000</b>            |
| Leisure Capital  | 7,384,640                                | 1,500,000                                  | 8,884,640                                | 10,910,262         | -2,025,622                    | 122.80%        | 8,884,640               | 3,547,303                   | 633,261                     | 0                           |
| National Landscapes and Outdoor Partnerships Capital               | 1,598,883                                | 6,899                                      | 1,605,782                                | 1,193,027          | 412,755                       | 74.30%         | 1,605,782               | 285,018                     | 0                           | 0                           |
| Visitor Economy Capital  | 115,862                                  | -7,421                                     | 108,441                                  | 110,244            | -1,803                        | 101.66%        | 108,441                 | 0                           | 0                           | 0                           |
| Housing Services Capital   | 11,519,557                               | 649,030                                    | 12,168,587                               | 14,490,604         | -2,322,017                    | 119.08%        | 12,168,587              | 6,951,074                   | 5,547,017                   | 6,500,000                   |
| Waste Capital  | 0  | 0  | 0  | 0                  | 0                             | 0.00%          | 0                       | 0                           | 0                           | 325,000                     |
| Theatre Services Capital   | 88,920                                   | 23,113                                     | 112,033                                  | 112,033            | 0                             | 100.00%        | 112,033                 | 0                           | 0                           | 0                           |
| <b>Resources</b>   | <b>100,000</b>                           | <b>0</b>                                   | <b>100,000</b>                           | <b>223,313</b>     | <b>-123,313</b>               | <b>223.31%</b> | <b>100,000</b>          | <b>0</b>                    | <b>0</b>                    | <b>0</b>                    |
| ICT Digital Transformation - CRM Capital                           | 100,000                                  | 51,250                                     | 151,250                                  | 172,063            | -20,813                       | 113.76%        | 151,250                 | 0                           | 0                           | 0                           |
| ICT Digital Transformation - ERP Capital                           | 0  | 0  | 0  | 0                  | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| ICT Digital Transformation - Infrastructure & Architecture Capital | 0  | -51,250                                    | -51,250                                  | 2,500              | -53,750                       | -4.88%         | -51,250                 | 0                           | 0                           | 0                           |
| ICT Digital Transformation - Social Care Capital                   | 0  | 0  | 0  | 48,750             | -48,750                       | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| ICT Digital Transformation - Unallocated Capital                   | 0  | 0  | 0  | 0                  | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| <b>Strategic Management Board</b>                                  | <b>165,000</b>                           | <b>-30,000</b>                             | <b>135,000</b>                           | <b>58,971</b>      | <b>76,029</b>                 | <b>43.68%</b>  | <b>135,000</b>          | <b>0</b>                    | <b>0</b>                    | <b>0</b>                    |
| Communications & Engagement Capital                                | 165,000                                  | -30,000                                    | 135,000                                  | 58,971             | 76,029                        | 43.68%         | 135,000                 | 0                           | 0                           | 0                           |
| <b>Total General Fund</b>  | <b>91,924,723</b>                        | <b>2,512,700</b>                           | <b>94,437,423</b>                        | <b>90,467,588</b>  | <b>3,969,835</b>              | <b>95.80%</b>  | <b>94,437,423</b>       | <b>131,676,780</b>          | <b>52,705,816</b>           | <b>38,212,310</b>           |
| <b>Housing Revenue Account</b>                                     | <b>18,768,515</b>                        | <b>-566,432</b>                            | <b>18,202,083</b>                        | <b>17,352,777</b>  | <b>849,306</b>                | <b>95.33%</b>  | <b>18,202,083</b>       | <b>20,897,416</b>           | <b>19,644,363</b>           | <b>7,000,000</b>            |
| HRA Dwellings Capital  | 18,768,515                               | -566,432                                   | 18,202,083                               | 17,352,777         | 849,306                       | 95.33%         | 18,202,083              | 20,897,416                  | 19,644,363                  | 7,000,000                   |
| <b>Total Approved Budget</b>                                       | <b>110,693,238</b>                       | <b>1,946,268</b>                           | <b>112,639,506</b>                       | <b>107,820,365</b> | <b>4,819,141</b>              | <b>95.72%</b>  | <b>112,639,506</b>      | <b>152,574,196</b>          | <b>72,350,179</b>           | <b>45,212,310</b>           |

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## Committee and Date

Cabinet  
11<sup>th</sup> June 2025

Item

Public



## Treasury Management Update Quarter 4 2024/25

|   |  |      |              |
|---|--|------|--------------|
| <b>Responsible Officer:</b>               | James Walton   |      |              |
| email:                                    | <a href="mailto:james.walton@shropshire.gov.uk">james.walton@shropshire.gov.uk</a> | Tel: | 01743 258915 |
| <b>Cabinet Member</b> (Portfolio Holder): | Roger Evans, Portfolio Holder Finance  |      |              |

### 1. Synopsis

The Council currently holds £50.6m investments and £420m of borrowing including new borrowing of £101.9m for the General Fund and £19.2m for the Housing Revenue Account. This is aligned with the Council approved Mid-Year Treasury Strategy update and prudential indicators.

### 2. Executive Summary

- 2.1. The report outlines the treasury management activities of the Council in the fourth quarter of 2024/25. It highlights the economic environment in which treasury management decisions have been made. It also provides an update on the performance of the treasury management function.
- 2.2. During Quarter 4 the internal finance team achieved a return of 4.44% on the Council's cash balances, which was marginally lower than the benchmark by 0.4%. The returns amount to net income of £1.956m for the financial year which is included within the Council's Financial Outturn Report. Further details on this are provided in paragraph 8.3 of the report. The Monetary Policy Committee (MPC) reduced the Bank Rate by 0.25% to 4.50% in March 2025. It is widely anticipated that this will reduce again during 2026.
- 2.3. Reducing returns on cash balances is directly attributable to the overall reduction in available balances. As a result, the Council has undertaken new borrowing of £101.9m for the General Fund during Quarter 4, and £19.2m of new borrowing for

the HRA. Further details on the borrowing undertaken is provided in paragraph 8.4, but it should be noted that the new borrowing included £26.9m relating to the capitalisation direction awarded by the Government during 2024/25. This has reduced the amount of internal borrowing that the Council holds, which the Council has held in preference to external borrowing whilst cash balances were higher to minimise the cost of interest on external borrowing.

### 3. Recommendations

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

- a) Note that new borrowing of £101.9m for the General Fund and £19.2m for the HRA has been taken out during quarter 4, in line with the Treasury Management Strategy 2024/25. This is part of the replacement of internal borrowing (using internal balances) with external borrowing (as internal balances reduce).
- b) Noting the summary of the wider economic environment and the Council's borrowings and investments set out in Appendix A
- c) Noting the performance within prudential indicators for quarter 4, 2024/25 (Appendix B)

## Report

### 4. Risk Assessment and Opportunities Appraisal

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



#### 4.5. Risk table

| <i>Risk</i>                         | <i>Mitigation</i>  |
|-------------------------------------|--|
| Security of funds                   | The Council maintains an Annual Investment Strategy which ensures that minimum acceptable credit criteria is applied for all investments to ensure that only highly creditworthy counterparties are used which enables diversification across all investments. The Council uses a treasury advisor, MUFG Corporate Markets/Link Asset Services to provide a creditworthiness service of all potential investment counterparties, which is continuously monitored and updated as needed   |
| Managing liquidity                  | The Council undertakes cash flow monitoring which highlights anticipated cash transactions for the upcoming 18 months. All departments are requested to provide details of large value income and expenditure transactions that may impact on the authority's cash flow position. This is tracked daily and continuously updated to ensure appropriate liquidity to match this profile.  |
| Achievement of investment benchmark | Investments undertaken by the Finance team are benchmarked against the 3 Month Sterling Overnight Index Average (SONIA). The key factors in tracking performance of investments, is the cash balance available to invest and the return that is achieved on investments made. When interest rates are rising in the economy, it may be that previous investments that were fixed have now become less favourable, and so there is a higher risk that the benchmark may not be achieved.<br>The availability of cash for investing has also become a key factor, especially in a period where reserves and hence cash balances have reduced. During the months of February and March the Council does not collect Council Tax and so cash balances reduce during these months. To manage this period, cash is held in call accounts or highly liquid investments rather than being placed into longer term fixed interest investments. The main priority for the Council is always to maintain security and liquidity of funds in preference to investment returns. |

## 5. Financial Implications

5.1. The Council makes assumptions about the levels of borrowing and investment income over the financial year. Reduced borrowing as a result of capital receipt generation or delays in delivery of the capital programme will both have a positive impact of the council's cash position. Similarly, higher than benchmarked returns on available cash will also help the Council's financial position. For monitoring purposes, assumptions are made early in year about borrowing and returns based on the strategies agreed by Council in the preceding February. Performance outside of these assumptions results in increased or reduced income for the

Council.

5.2. The Quarter 4 performance is slightly below the benchmark however net income of £1.956m has been achieved on investments during 2024/25. Further details on the performance against benchmark are included in paragraph 8.

5.3. As at 31 March 2025 the Council held £50.6million in investments as detailed in Appendix A and borrowing of £420million at fixed interest rates. The ability to secure fixed rates helps to manage the uncertainty and risk of changes to interest rates.

## 6. Climate Change Appraisal

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

## 7. Background

7.1. The Council defines its treasury management activities as "the management of the authority's borrowing, investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks". The report informs Members of the treasury activities of the Council between 1 January 2025 and 31 March 2025.

7.2. For wider context and consideration of the global financial outlook, an economic and borrowing update for the third quarter is considered in Appendix D.

## 8. Additional Information

8.1. The Council receives its treasury advice from MUFG Corporate Markets (previously known as Link Asset Services). Their latest interest rate forecasts to 31 March 2027 are shown below. The Bank Rate reduced to 4.5% in March 2025 however further rate reductions are anticipated during 2025/26.

| MUFG Corporate Markets Interest Rate View 10.02.25 |        |        |        |        |        |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | Mar-25 | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 | Sep-26 | Dec-26 | Mar-27 | Jun-27 | Sep-27 | Dec-27 | Mar-28 |
| <b>BANK RATE</b>                                   | 4.50   | 4.25   | 4.25   | 4.00   | 3.75   | 3.75   | 3.75   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   |
| 3 month ave earnings                               | 4.50   | 4.30   | 4.30   | 4.00   | 3.80   | 3.80   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   |
| 6 month ave earnings                               | 4.40   | 4.20   | 4.20   | 3.90   | 3.70   | 3.70   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   |
| 12 month ave earnings                              | 4.40   | 4.20   | 4.20   | 3.90   | 3.70   | 3.70   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.60   |
| 5 yr PWLB  | 5.00   | 4.90   | 4.80   | 4.70   | 4.60   | 4.50   | 4.40   | 4.40   | 4.30   | 4.20   | 4.20   | 4.10   | 4.00   |
| 10 yr PWLB   | 5.30   | 5.20   | 5.10   | 5.00   | 4.90   | 4.80   | 4.70   | 4.70   | 4.60   | 4.50   | 4.50   | 4.40   | 4.40   |
| 25 yr PWLB   | 5.80   | 5.70   | 5.60   | 5.50   | 5.40   | 5.30   | 5.20   | 5.10   | 5.00   | 5.00   | 4.90   | 4.90   | 4.80   |
| 50 yr PWLB   | 5.50   | 5.40   | 5.30   | 5.20   | 5.10   | 5.00   | 4.90   | 4.80   | 4.70   | 4.70   | 4.60   | 4.60   | 4.50   |

8.2. The Council aims to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate, it is considered appropriate to:

- Keep investments short term (up to 1 year),

- Only invest with highly credit rated financial institutions using Link's suggested creditworthiness approach, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Link.

The Finance Team continue to take a prudent approach keeping investments short term and with the most highly credit rated organisations.

- 8.3. In the fourth quarter of 2024/25 the internal treasury team achieved a return of 4.4% on the Council's cash balances, which was marginally lower than the benchmark by 0.4%. As cash balances held remained low during the quarter, the Council need to ensure cash balances are highly liquid, resulting in lower interest rates on short term deals. Whilst returns on investment are important, as we strive to achieve the best investment we can, the Council's priority is always to ensure security of funds and ensure we hold sufficient liquid balances. This will often mean that we cannot secure the higher rate investments as these are offered to longer term deals. The Council does receive benchmarking analysis of its investments in relation to its comparative group and throughout the fourth quarter of 2024/25, its performance on investment were considered in line with the other organisations.
- 8.4. As at the start of 2024/25, the Council had been using internal borrowing at a level around £150m. Assuming a borrowing rate of 5%, the level of saving per year is around £7m. However, the reducing level of balances means that it is no longer possible to internally borrow through the MTFS period. Therefore, new borrowing of £101.9m relating to the General Fund and £19.2m for the HRA has been carried out in the last quarter of the financial year. The General Fund included £36m of borrowing relating to short term loans maturing during the year, and £26.9m relating to the capitalisation direction as approved by the Government for 2024/25. In total, £58.2m related to new borrowing required for the capital programme in 2024/25 or to replace internal borrowing. It is anticipated that further external borrowing will be required during 2025/26.
- 8.5. A full list of investments held as at 31 March 2025, compared to Link's counterparty list, and changes to Fitch, Moody's and Standard & Poor's credit ratings are shown within Link's Monthly Investment Analysis Review at Appendix 1. None of the approved limits within the Annual Investment Strategy were breached during the fourth quarter of 2024/25. Officers continue to monitor the credit ratings of institutions daily. Delegated authority has been put in place to make any amendments to the approved lending list.
- 8.6. As illustrated above it is unlikely that investment rates in the market will increase above the current level of 4.50%. The average level of funds available for investment purposes in the fourth quarter of 2024/25 was £40.5million.

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

Council, 29 February 2024 – Treasury Strategy 2024/25

Cabinet, 11 September 2024 – Treasury Management Update Quarter 1 2024/25

Cabinet, 4 December 2024 – Treasury Management Update Quarter 2 2024/25

Council, 12 December 2024 – Treasury Strategy 2024/25 Mid-Year Review

Cabinet, 12 February 2025 – Treasury Management Update Quarter 3 2024/25

**Local Member:** N/A

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

A. Shropshire Council Monthly Investment Analysis Review as at 31 March 2025 (provided by MUFG Corporate Markets)

B. Prudential Indicators for Quarter 4 2024/25

C. Prudential Borrowing Schedule

D. Economic Background and Borrowing Update



# Shropshire Council

## Monthly Investment Analysis Review

March 2025

## Monthly Economic Summary

### General Economy

The preliminary reading of the UK Manufacturing PMI fell to 44.6 in March from 46.9 in February, below market expectations of 46.4. The reading pointed to the sixth straight month of worsening conditions in the sector (a reading below 50 indicates a contraction), pushing the index to its lowest level since October 2023, weighed by overall weakness including a steep export-led downturn in overall sales. Meanwhile, the UK Services PMI rose to 53.2 in March from 51 in February, surpassing forecasts of 50.9, according to flash estimates. The latest data indicated continued improvement in the sector, marking the strongest growth since August 2024, driven by a rebound in both domestic and overseas sales. Within the report, respondents reported an increase in new work for the first time this year, with some noting a tentative improvement in demand conditions. On the price front, service providers recorded a steep rise in input prices, largely reflecting intense wage pressures and efforts by suppliers to pass on higher payroll costs. Consequently, the preliminary reading of the UK Composite PMI headline rate rose to 52 in March from 50.5 in February, surpassing market expectations of 50.3. While signalling modest private sector growth, the reading reached its highest level since September, driven by the expansion in the service sector. Separately, the UK Construction PMI fell to 44.6 in February from 48.1 in January, below market forecasts of 49.5. The latest reading indicated the sharpest decline in overall construction activity since May 2020, driven by weak demand, elevated borrowing costs, and a shortage of new projects to replace completed ones. On the price front, average cost burdens rose the most in nearly two years. Finally, business expectations worsened albeit remaining positive overall.

The UK economy contracted 0.1% m/m in January, following a 0.4% rise in December, but worse than market expectations of a 0.1% gain. The largest downward contribution came from the production sector which fell 0.9%, after a 0.5% rise in the previous period. Conversely, services expanded 0.1%, after a 0.4% rise in the previous period, led by administrative and support services and wholesale and retail trade. Elsewhere, the UK's trade deficit declined to £2.64 billion in January, down from £2.82 billion in December, marking the smallest trade gap since September.

The UK recorded a 144k rise in employment in the three months to January, following an upwardly revised 88k increase in the previous period, and significantly above market forecasts of a 95k rise. This marked the fastest job growth in three months. Meanwhile, average weekly earnings (including bonuses) increased 5.8% y/y in the three months to January, marking a slowdown from an upwardly revised 6.1% growth in the previous period.

The Chancellor's Spring Statement saw fiscal policy tightened by around £9.7bn in 2029-30, reversing around 30% of the 1% loosening that was put in place last Autumn. Moreover, the Office for Budget Responsibility cut its forecasts for 2025 growth by half to 1% while pushing up their expectations for future years.

The Bank of England's Monetary Policy Committee kept Bank Rate unchanged at 4.5% during its March meeting, matching market expectations. Policymakers maintained their wait-and-see approach amid stubbornly high inflation and global economic uncertainties. One member, Swati Dhingra, suggested a 25bps reduction to 4.25%. The accompanying minutes reiterated that given the medium-term inflation outlook, a gradual and cautious approach to further withdrawal of monetary policy restraint remains appropriate.

The Consumer Price Index increased 0.4% m/m in February, rebounding from a 0.1% drop in January and below forecasts of a 0.5% rise. The headline annual rate fell to 2.8% in February, down from 3% in the previous month, matching the Bank of England's forecasts. The largest downward contribution came from prices of clothing which declined for the first time since October 2021. In contrast, prices rose faster for transport, restaurants and hotels.

In the retail sector, overall sales increased 1% m/m in February, defying expectations of a 0.3% fall, following a downwardly revised 1.4% gain in the previous month. Sales in household goods stores surged, marking the strongest monthly gain since April 2021, with hardware stores having the largest upward contribution. Meanwhile, the GfK Consumer Confidence Index edged up to -19 in March, marking its second consecutive monthly increase, compared to -20 in February. Elsewhere, public sector net borrowing, excluding public sector banks, rose slightly to £10.7 billion in February from £10.6 billion a year prior, exceeding the expected £6.6 billion. Total public sector spending increased by £3.8 billion year-on-year, driven by higher departmental spending on goods, services, and local government operations.

### US Economy

The US economy added 151k jobs in February, up from a downwardly revised 125k in January and compared to forecasts of 160k. Employment trended up in health care, financial activities, transportation, warehousing, and social assistance. Meanwhile, federal government employment declined by 10K, already reflecting some of the impact of the DOGE layoffs although the effects of federal spending cuts and tariffs are expected to weigh more on the labour market in the coming months. Meanwhile, the US economy expanded an annualised 2.4% in Q4 2024, slightly higher than 2.3% in previous estimates, resultant of a downward revision to imports. However, the reading was still below the 3.1% seen in Q3. Personal consumption remained the main driver of growth, while investment in intellectual property products and fixed investment shrank. Finally, the annual inflation rate in the US eased to 2.8% in February from 3% in January, below forecasts of 2.9%. Away from data releases, the Fed kept the Federal Funds Rate unchanged at 4.25%-4.5% during its March meeting.

### EU Economy

The annual inflation rate in the Eurozone eased to 2.3% in February, slightly below the preliminary estimates of 2.4% and down from a six-month high of 2.5% in January, as price growth slowed for services and energy. Meanwhile, the core inflation rate, which excludes volatile food and energy prices, fell to 2.6%, its lowest level since January 2022. The Eurozone economy grew an annualised 1.2% in Q4 2024, surpassing initial estimates of 0.9% and accelerating from a revised 1% growth in the previous quarter. This marked the fastest expansion since early 2023, fuelled by lower borrowing costs and easing inflationary pressures. Among the bloc's largest economies, Spain led with a strong 3.5% growth, followed by the Netherlands, France, and Italy. In contrast, Germany, the Eurozone's largest economy, remained in contraction, shrinking by 0.2%.

### Housing

The Halifax House Price Index in the UK rose 2.9% y/y in February, unchanged from January's revised six-month low and below market forecasts of 3.1%. The Nationwide House Price Index rose 3.9% y/y in March, matching the pace of February.

### Currency

Sterling appreciated against the Dollar, but depreciated against the Euro.

| March          | Start    | End      | High     | Low      |
|----------------|----------|----------|----------|----------|
| <b>GBP/USD</b> | \$1.2701 | \$1.2908 | \$1.2985 | \$1.2701 |
| <b>GBP/EUR</b> | €1.2113  | €1.1950  | €1.2113  | €1.1849  |

### Interest Rate Forecasts

MUFG Corporate Markets maintained its current forecast, while Capital Economics revised their forecasts and predict future cuts to occur a quarter later than previously expected.

| Bank Rate                     |              |        |        |        |        |        |        |        |        |        |        |        |        |        |
|-------------------------------|--------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                               | Now          | Mar-25 | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 | Sep-26 | Dec-26 | Mar-27 | Jun-27 | Sep-27 | Dec-27 | Mar-28 |
| <b>MUFG Corporate Markets</b> | <b>4.50%</b> | 4.50%  | 4.25%  | 4.25%  | 4.00%  | 3.75%  | 3.75%  | 3.75%  | 3.50%  | 3.50%  | 3.50%  | 3.50%  | 3.50%  | 3.50%  |
| <b>Capital Economics</b>      | <b>4.50%</b> | 4.50%  | 4.25%  | 4.25%  | 4.00%  | 3.75%  | 3.50%  | 3.50%  | 3.50%  | -      | -      | -      | -      | -      |

# Shropshire Council

## Current Investment List

| Borrower                          | Principal (£)      | Interest Rate | Start Date | Maturity Date | Lowest LT / Fund Rating | Historic Risk of Default | Expected Credit Loss (£) |
|-----------------------------------|--------------------|---------------|------------|---------------|-------------------------|--------------------------|--------------------------|
| MMF Aberdeen Standard Investments | 15,000,000         | 4.54%         |            | Call          | AAAm                    |                          |                          |
| MMF Insight                       | 15,000,000         | 4.52%         |            | Call          | AAAm                    |                          |                          |
| DMO                               | 9,600,000          | 4.45%         | 27/03/2025 | 03/04/2025    | AA-                     | 0.000%                   | 0                        |
| DMO                               | 5,400,000          | 4.45%         | 28/03/2025 | 03/04/2025    | AA-                     | 0.000%                   | 0                        |
| DMO                               | 900,000            | 4.45%         | 26/03/2025 | 04/04/2025    | AA-                     | 0.000%                   | 0                        |
| DMO                               | 4,700,000          | 4.45%         | 31/03/2025 | 08/04/2025    | AA-                     | 0.000%                   | 0                        |
| <b>Total Investments</b>          | <b>£50,600,000</b> | <b>4.50%</b>  |            |               |                         | <b>0.000%</b>            | <b>£0</b>                |

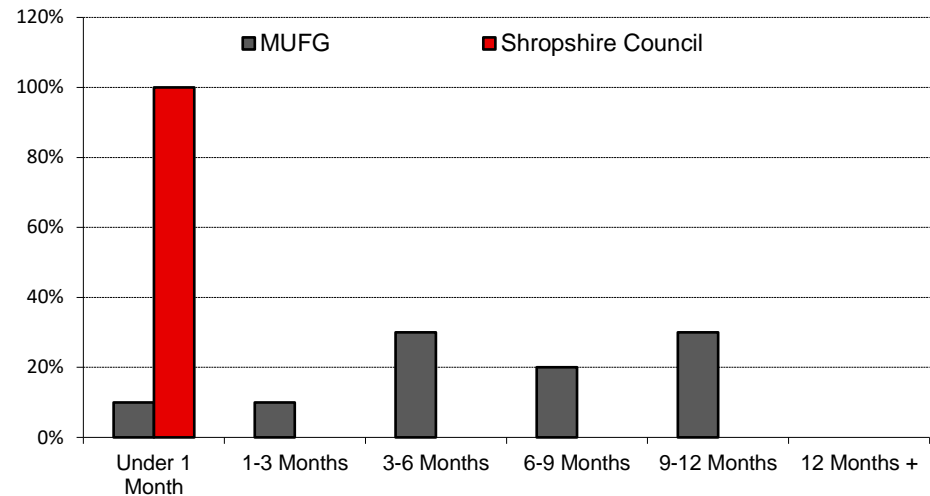
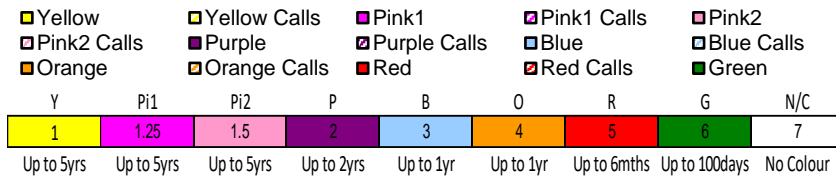
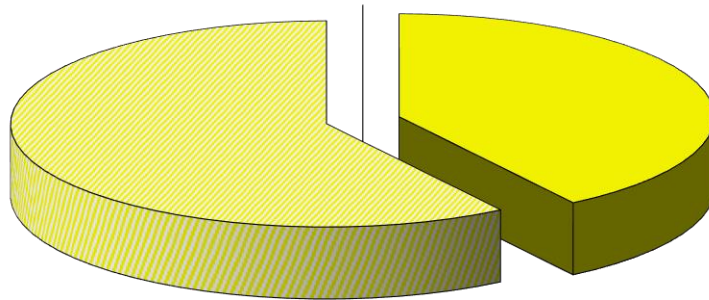
Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to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

The Historic Risk of Default column is based on the lowest long term rating. If clients are using this % for their Expected Credit Loss calculation under IFRS 9, please be aware that the Code does not recognise a loss allowance where the counterparty is central government or a local authority since relevant statutory provisions prevent default. For these instruments, the Expected Credit Loss will be nil. Please note that we are currently using Historic Default Rates from 1990-2024 for Fitch, 1983-2024 for Moody's and 1981 to 2024 for S&P.

Where MUFG Corporate Markets have provided a return for a property fund, that return covers the 12 months to December 2024, which are the latest returns currently available.



## Portfolio Composition by MUFG's Suggested Lending Criteria



Portfolios weighted average risk number = 1.00

WARoR = Weighted Average Rate of Return

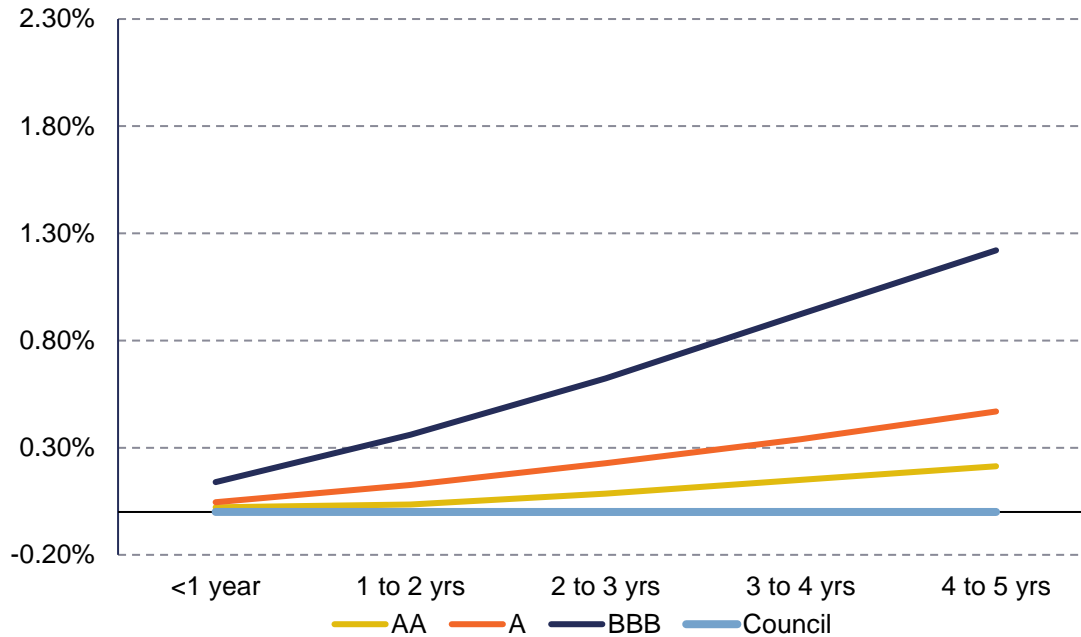
WAM = Weighted Average Time to Maturity

|              | Excluding Calls/MMFs/USDBFs |                    |                      |                           |                        |              |          |                  |          |                  |
|--------------|-----------------------------|--------------------|----------------------|---------------------------|------------------------|--------------|----------|------------------|----------|------------------|
|              | % of Portfolio              | Amount             | % of Colour in Calls | Amount of Colour in Calls | % of Call in Portfolio | WARoR        | WAM      | WAM at Execution | WAM      | WAM at Execution |
| Yellow       | 100.00%                     | £50,600,000        | 59.29%               | £30,000,000               | 59.29%                 | 4.50%        | 2        | 3                | 4        | 7                |
| Pink1        | 0.00%                       | £0                 | 0.00%                | £0                        | 0.00%                  | 0.00%        | 0        | 0                | 0        | 0                |
| Pink2        | 0.00%                       | £0                 | 0.00%                | £0                        | 0.00%                  | 0.00%        | 0        | 0                | 0        | 0                |
| Purple       | 0.00%                       | £0                 | 0.00%                | £0                        | 0.00%                  | 0.00%        | 0        | 0                | 0        | 0                |
| Blue         | 0.00%                       | £0                 | 0.00%                | £0                        | 0.00%                  | 0.00%        | 0        | 0                | 0        | 0                |
| Orange       | 0.00%                       | £0                 | 0.00%                | £0                        | 0.00%                  | 0.00%        | 0        | 0                | 0        | 0                |
| Red          | 0.00%                       | £0                 | 0.00%                | £0                        | 0.00%                  | 0.00%        | 0        | 0                | 0        | 0                |
| Green        | 0.00%                       | £0                 | 0.00%                | £0                        | 0.00%                  | 0.00%        | 0        | 0                | 0        | 0                |
| No Colour    | 0.00%                       | £0                 | 0.00%                | £0                        | 0.00%                  | 0.00%        | 0        | 0                | 0        | 0                |
| <b>Total</b> | <b>100.00%</b>              | <b>£50,600,000</b> | <b>59.29%</b>        | <b>£30,000,000</b>        | <b>59.29%</b>          | <b>4.50%</b> | <b>2</b> | <b>3</b>         | <b>4</b> | <b>7</b>         |

# Shropshire Council

## Investment Risk and Rating Exposure

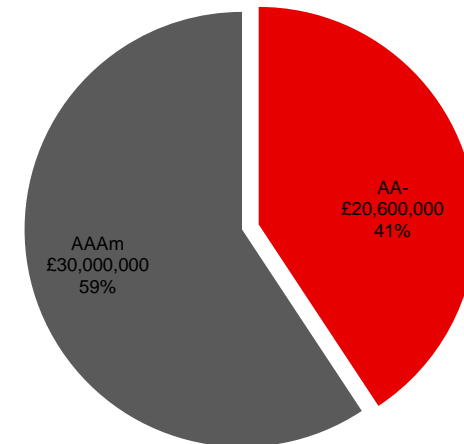
Investment Risk Vs. Rating Categories



Historic Risk of Default

| Rating/Years | <1 year | 1 to 2 yrs | 2 to 3 yrs | 3 to 4 yrs | 4 to 5 yrs |
|--------------|---------|------------|------------|------------|------------|
| AA           | 0.02%   | 0.04%      | 0.09%      | 0.15%      | 0.21%      |
| A            | 0.05%   | 0.13%      | 0.23%      | 0.34%      | 0.47%      |
| BBB          | 0.14%   | 0.36%      | 0.62%      | 0.92%      | 1.22%      |
| Council      | 0.00%   | 0.00%      | 0.00%      | 0.00%      | 0.00%      |

Rating Exposure



### Historic Risk of Default

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

### Chart Relative Risk

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

### Rating Exposures

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

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

## Shropshire Council

### Monthly Credit Rating Changes FITCH

| Date       | Update Number | Institution                    | Country        | Rating Action   |
|------------|---------------|--------------------------------|----------------|---|
| 06/03/2025 | 2072          | Co-operative Bank PLC (The)    | United Kingdom | All ratings were withdrawn.   |
| 26/03/2025 | 2074          | Commonwealth Bank of Australia | Australia      | The Outlook on the Long Term Rating was changed to Positive from Stable. All other ratings were affirmed. |

## Shropshire Council

### Monthly Credit Rating Changes S&P

| Date       | Update Number | Institution | Country | Rating Action   |
|------------|---------------|-------------|---------|---|
| 03/03/2025 | 2071          | France      | France  | The Outlook on the Sovereign Rating was changed to Negative from Stable. All other ratings were affirmed. |

## Shropshire Council

### Monthly Credit Rating Changes MOODY'S

| Date       | Update Number | Institution        | Country        | Rating Action  |
|------------|---------------|--------------------|----------------|--|
| 31/03/2025 | 2073          | Close Brothers Ltd | United Kingdom | The Long Term Rating was downgraded to A2 from A1. All other ratings were affirmed and remain on Negative Watch. |

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## APPENDIX B – PRUDENTIAL INDICATORS FOR QUARTER 3

| Prudential Indicator                             | 2024/25<br>Indicator (Revised<br>as per Mid Year<br>Strategy)<br>£m | Quarter 1 –<br>Actual<br>£m | Quarter 2 –<br>Actual<br>£m | Quarter 3 –<br>Actual<br>£m | Quarter 4 –<br>Actual<br>£m |
|--|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Non HRA Capital Financing Requirement (CFR)      | 345   | 336                         | 336                         | 336                         | 318                         |
| HRA CFR  | 111   | 105                         | 105                         | 105                         | 103                         |
| Gross borrowing                                  | 456   | 311                         | 311                         | 336                         | 420                         |
| Investments                                      | 50  | 21                          | 22                          | 26                          | 51                          |
| Net borrowing                                    | 387   | 290                         | 289                         | 311                         | 369                         |
| Authorised limit for external debt               | 698   | 311                         | 311                         | 336                         | 420                         |
| Operational boundary for external debt           | 632   | 311                         | 311                         | 336                         | 420                         |
| Limit of fixed interest rates (borrowing)        | 698   | 311                         | 311                         | 336                         | 420                         |
| Limit of variable interest rates (borrowing)     | 349   | 0                           | 0                           | 0                           | 0                           |
| Internal Team Principal sums invested > 364 days | 70  | 0                           | 0                           | 0                           | 0                           |
|  |   |                             |                             |                             |                             |
| <b>Maturity structure of borrowing limits</b>    | <b>%</b>  | <b>%</b>                    | <b>%</b>                    | <b>%</b>                    | <b>%</b>                    |
| Under 12 months                                  | 15  | 10                          | 10                          | 9                           | 13                          |
| 12 months to 2 years                             | 15  | 0                           | 0                           | 7                           | 14                          |
| 2 years to 5 years                               | 45  | 0                           | 2                           | 2                           | 11                          |
| 5 years to 10 years                              | 75  | 24                          | 26                          | 24                          | 18                          |
| 10 years to 20 years                             | 100   | 26                          | 22                          | 20                          | 18                          |
| 20 years to 30 years                             | 100   | 20                          | 25                          | 24                          | 17                          |
| 30 years to 40 years                             | 100   | 11                          | 6                           | 6                           | 4                           |
| 40 years to 50 years                             | 100   | 2                           | 2                           | 1                           | 1                           |
| 50 years and above                               | 100   | 7                           | 7                           | 7                           | 4                           |

The Gross Borrowing Prudential Indicator for 2024/25 was based on existing known borrowing taken out as at the end of January 2024. This borrowing position was based on the policy of utilising internal borrowing rather than external borrowing for capital schemes, whilst cash balances allowed this to continue, in order to minimise the interest cost to the Authority. As at the end of the 2023/24 financial year, it was deemed necessary to re-evaluate the under-borrowed position of the Council, and as a result, PWLB borrowing of £30m over a 12 month period was secured to fund existing capital schemes and additional borrowing of £25m has been secured in November 2024 to manage the treasury management position of the authority. This accounts for the reason why the position at Quarter 3 is greater than the 2024/25 indicator, as highlighted in the table above. It is anticipated that the Council will be undertaking more borrowing before the end of the calendar year, as we look to re-address the under-borrowed position and remove the reliance on internal borrowing using cash balances.

The key prudential indicators which dictate the level of borrowing that can be undertaken by the Authority are the Operational Boundary which determines the likely level of borrowing that may be required to deliver the known commitments of the capital programme; and the Authorised limit provides the total borrowing that the Council may undertake if it should progress all plans as laid out in the Capital Strategy. As noted in the table above, the borrowing level undertaken as at Quarter 3 is well within the parameter of the Operational and Authorised limit for external debt.

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APPENDIX C -PRUDENTIAL BORROWING APPROVALS

| Prudential Borrowing Approvals   | Date Approved            | Amnt Approved<br>£     | Applied (Spent) 2006/07<br>£ | Applied (Spent) 2007/08<br>£ | Applied (Spent) 2008/09<br>£ | Applied (Spent) 2009/10<br>£ | Applied (Spent) 2010/11<br>£ | Applied (Spent) 2011/12<br>£ | Applied (Spent) 2012/13<br>£ | Applied (Spent) 2013/14<br>£ | Applied (Spent) 2014/15<br>£ | Applied (Spent) 2015/16<br>£ | Applied (Spent) 2016/17<br>£ | Applied (Spent) 2017/18<br>£ | Applied (Spent) 2018/19<br>£ | Applied (Spent) 2019/20<br>£ | Applied (Spent) 2020/21<br>£ | Applied (Spent) 2021/22<br>£ | Applied (Spent) 2022/23<br>£ | Applied (Spent) 2023/24<br>£ | Budgeted 2024/25<br>£ | Budgeted 2025/26<br>£ | Budgeted 2026/27<br>£ | Budgeted 2027/28<br>£ | First year MRP Charged | Asset Life | Final year MRP Charged |         |         |         |
|--|--------------------------|------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------|------------------------|---------|---------|---------|
| Monkmoor Campus<br>Capital Receipts Shortfall - Cashflow Applied:                        | 24/02/2006<br>24/02/2006 | 3,580,000<br>5,000,000 |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        |         |         |         |
| Applied:   |                          |                        |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        |         |         |         |
| Monkmoor Campus  |                          |                        | 3,000,000                    |                              | 0                            |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        | 2007/08    | 25                     | 2031/32 |         |         |
| William Brooks   |                          |                        |                              | 0                            |                              |                              | 3,580,000                    |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        | 2011/12    | 25                     | 2035/36 |         |         |
| Tern Valley  |                          |                        |                              |                              | 2,000,000                    |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        | 2010/11    | 35                     | 2044/45 |         |         |
|  |                          | 8,580,000              | 3,000,000                    | 0                            | 2,000,000                    | 0                            | 3,580,000                    | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                     | 0                     | 0                     | 0                     | 0                      |            |                        |         |         |         |
| Highways   | 24/02/2006               | 2,000,000              | 2,000,000                    |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        | 2007/08    | 20                     | 2026/27 |         |         |
| Accommodation Changes  | 24/02/2006               | 650,000                | 410,200                      | 39,800                       |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        | 2007/08    | 6                      | 2012/13 |         |         |
| Accommodation Changes - Saving   | 31/03/2007               | -200,000               |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        |         |         |         |
|  |                          | 450,000                | 410,200                      | 39,800                       | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                     | 0                     | 0                     | 0                     | 0                      |            |                        |         |         |         |
| Waste Management Site - Oswestry   | 29/06/2007               | 712,500                |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        |         |         |         |
| Waste Management Site - Oswestry   | 20/06/2008               | -712,500               |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        |         |         |         |
|  |                          | 0                      | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        |         |         |         |
| William Brooks   | 18/07/2008               | 0                      |                              |                              |                              |                              | 0                            |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        | 2011/12    | 25                     | 2035/36 |         |         |
| Primary School Capital Programme   | 19/12/2008               | 0                      |                              |                              |                              |                              | 0                            | 0                            |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        | 2012/13    | 25                     | 2036/37 |         |         |
| The Ptarmigan Building   | 05/11/2009               | 3,744,000              |                              |                              | 3,744,000                    |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        | 2010/11    | 25                     | 2034/35 |         |         |
| The Mount McKinley Building  | 05/11/2009               | 2,782,000              |                              |                              | 2,782,000                    |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        | 2011/12    | 25                     | 2035/36 |         |         |
| The Mount McKinley Building  | 05/11/2009               | 0                      |                              |                              |                              |                              | 0                            |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        | 2011/12    | 5                      | 2015/16 |         |         |
| Capital Strategy Schemes - Potential Capital Receipts shortfall - Desktop Virtualisation | 25/02/2010               | 187,600                |                              |                              |                              | 187,600                      | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            |                              |                              |                              |                       |                       |                       |                       |                        |            | 25                     |         |         |         |
|  |                          |                        |                              |                              |                              | 0                            |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        | 2010/11    | 5                      | 2014/15 |         |         |
| Carbon Efficiency Schemes/Self Financing   | 25/02/2010               | 1,512,442              |                              |                              |                              |                              | 115,656                      | 1,312,810                    | 83,976                       | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            |                              |                              |                              |                       |                       |                       |                       |                        | 2011/12    | 5                      | 2017/18 |         |         |
| Transformation schemes   |                          | 92,635                 |                              |                              |                              |                              |                              | 92,635                       | 0                            | 0                            |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            | 2012/13                | 3       | 2014/15 |         |
| New School Amalgamations - Self Financing  | 25/02/2010               | 0                      |                              |                              |                              |                              |                              |                              | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            |                              |                              |                              |                       |                       |                       |                       |                        |            | 2013/14                | 25      | 2037/38 |         |
| Renewables - Biomass - Self Financing  | 14/09/2011               | 92,998                 |                              |                              |                              |                              |                              | 82,408                       | 98,258                       | -87,670                      | 0                            |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            | 2014/15                | 25      | 2038/39 |         |
| Solar PV Council Buildings - Self Financing  | 11/05/2011               | 56,342                 |                              |                              |                              |                              |                              | 1,283,959                    | 124,584                      | -1,352,202                   | 0                            |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            | 2013/14                | 25      | 2038/39 |         |
| Depot Redevelopment - Self Financing   | 23/02/2012               | 0                      |                              |                              |                              |                              |                              |                              | 0                            | 0                            | 0                            |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            | 2014/15                | 10      | 2023/24 |         |
| Street Lighting - part night lighting - Self Financing                                   | 04/04/2012               | 0                      |                              |                              |                              |                              |                              |                              | 0                            | 0                            | 0                            |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            | 2013/14                | 10      | 2022/23 |         |
| Oswestry Leisure Centre Equipment - Self Financing                                       | 04/04/2012               | 124,521                |                              |                              |                              |                              |                              | 124,521                      |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            | 2012/13                | 5       | 2016/17 |         |
| Leisure Services - Self Financing  | 01/08/2012               | 711,197                |                              |                              |                              |                              |                              |                              | 711,197                      |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            | 2013/14                | 5       | 2016/17 |         |
| Mardol House Acquisition   | 26/02/2015               | 4,160,000              |                              |                              |                              |                              |                              |                              |                              | 4,160,000                    | 0                            |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            | 2015/16                | 25      | 2039/40 |         |
| Mardol House Adaptation and Refit  | 26/02/2015               | 3,340,000              |                              |                              |                              |                              |                              |                              |                              | 167,641                      | 3,172,359                    | 0                            | 0                            | 0                            | 0                            | 0                            |                              |                              |                              |                              |                       |                       |                       |                       |                        |            | 2016/17                | 25      | 2041/42 |         |
| Oswestry Leisure Centre Equipment - Self Financing                                       | 01/08/2012               | 290,274                |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              | 274,239                      |                              | 16,035                       |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            | 2018/19                | 5       | 2022/23 |         |
| Car Parking Strategy Implementation  | 17/01/2018               | 590,021                |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              | 588,497                      | 1,524                        |                              |                              |                              |                              | 588,497                      |                              |                       |                       |                       |                       |                        |            | 2020/21                | 5       | 2024/25 |         |
| JPUT - Investment in Units re Shrewsbury Shopping Centres                                | 13/12/2017               | 55,299,533             |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              | 52,204,603                   | -208,569                     | 2,791,967                    | 320,079                      | 191,453                      |                              |                              |                              |                       |                       |                       |                       |                        | 2018/19    | 45                     | 2042/43 |         |         |
| JPUT - SSC No 1 Ltd  | 13/12/2017               | 527,319                |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              | 527,319                      |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        |         |         |         |
| CDL Shareholding   | 28/02/2019               | 1                      |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              | 1                            |                              |                              |                              |                       |                       |                       |                       |                        | 2021/22    |                        |         |         |         |
| Children's Residential Care  | 28/02/2019               | 2,000,000              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              | 1,381,539                    | 230,765                      | 38,487                       | 316,210                      | 33,000                       |                              |                              |                              |                       |                       |                       |                       |                        | 2020/21    | 25                     | 2044/45 |         |         |
| Pride Hill Shopping Centre Reconfiguration - LEP Match                                   | 19/12/2019               | 1,928,978              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              | 434,027                      | 842,293                      | 652,658                      |                              |                              |                              |                              |                       |                       |                       |                       |                        | AUC        | 45                     |         |         |         |
| Pride Hill Shopping Centre Reconfiguration - Feb 22 approval                             | 01/02/2022               | 2,273,921              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              | 197,614                      | 1,076,307                    | 1,000,000             |                       |                       |                       |                        | AUC        | 45                     |         |         |         |
| Multi Agency Hub - Feb 22 approval   | 01/02/2022               | 1,000,000              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              | 1,000,000             | 0                     |                       |                       |                        | AUC        | 45                     |         |         |         |
| Greenacres Supported Living Development  | 24/09/2020               | 3,126,978              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              | 34,317                       | 41,688                       | 1,979                 |                       |                       |                       |                        |            | 2023/24                | 25      | 2046/47 |         |
| Bishops Castle Business Park   | 19/09/2019               | 3,124,695              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              | 2,900                 | 1,545,647             | 1,271,102             | 55,046                | 250,000                | 0          |                        | 2023/24 | 25      | 2044/45 |
| Whitchurch Medical Practice (Pauls Moss Development)                                     | 26/07/2018               | 3,778,228              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        | 2023/24 | 25      | 2047/48 |
| Oswestry Castleview - Site Acquisition   | 19/12/2019               | 3,256,241              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              | 171,509               | 1,392,326             | 2,214,393             |                       |                        |            | 2020/21                | 25      | 2044/45 |         |
| Former Morrisons Site, Oswestry  | 19/09/2019               | 3,390,145              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       | 3,390,145             |                       |                       |                        |            |                        | 2021/22 | 25      | 2045/46 |
| Meole Brace Pitch & Putt   |                          | 5,400,000              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              | 11,927                | 136,349               | 263,137               | 1,988,588             | 2,500,000              | 500,000    |                        | AUC     | 25      |         |
| Maesbury Solar Farm  |                          | 2,041,173              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       | 19,682                | 26,876                | 494,615               | 1,000,000              | 500,000    |                        | AUC     | 25      |         |
| Commercial Investment Fund   | Fin Strat 19/20          | 3,479,477              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            | 2021/22                | 25      | 2044/45 |         |
| The Tannery Development Block A - Land Acquisition                                       |                          | 657,253                |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       | 62,500                | 594,753               |                       |                        |            |                        | 2022/23 | 25      | 2045/46 |
| The Tannery Development Block A  |                          | 6,356,606              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        | AUC     |         |         |
| The Tannery Development - Block B & C  |                          | 7,471,562              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       | 56,606                | 1,300,000             | 2,500,000             | 2,500,000              |            |                        | 2019/20 | 25      | 2045/46 |
| Oswestry Property Acquisition  | 12/05/2022               | 3,332,304              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        | 2023/24 | 25      | 2047/48 |
| Shrewsbury Property Acquisition  |                          | 3,837,012              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        | 2023/24 | 25      | 2047/48 |
| Biochar Pyrolysis Project  |                          | 2,000,000              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        | 2023/24 | 25      | 2047/48 |
| Recycling Bin Roll Out Programme   |                          | 2,029,778              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        | 2022/23 | 10      | 2032/33 |
| Highways Investment Programme  | Capital Strat Feb 22     | 25,284,755             |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        | 2022/23 | 25      | 2046/47 |
| Oswestry Innovation Park   |                          | 10,750,425             |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        | 2022/23 | 25      | 2046/47 |
| Cambrian Building Oswestry - UKSPF   |                          | 285,007                |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        | 2022/23 | 25      | 2046/47 |
| Whitchurch Swimming & Leisure Facility   | 22/09/2022               | 13,371,760             |                              |                              |                              |                              |                              |                              |                              | </                           |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                       |                       |                       |                       |                        |            |                        |         |         |         |

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## **Economic Background and Borrowing Update**

### **Economic Background**

The fourth quarter of 2024/25 saw:

- GDP growth contracting by 0.1% m/m in January following a 0.4% rise in December, but worse than market expectations of a 0.1% gain;
- The 3myy rate of average earnings growth increased 5.8% in January, marking a slowdown from an upwardly revised 6.1% growth in the previous period;
- CPI inflation increase to 2.6% in November;
- Core CPI inflation increase from 0.4% m/m in February. The headline annual rate fell to 2.8% in February;
- The Bank of England kept Bank Rate unchanged at 4.5% during its March meeting, matching market expectations.

The UK economy contracted 0.1% m/m in January, following a 0.4% rise in December. The largest downward contribution came from the production sector which fell 0.9%, after a 0.5% rise in the previous period. Conversely, services expanded 0.1%, after a 0.4% rise in the previous period, led by administrative and support services and wholesale and retail trade. Elsewhere, the UK's trade deficit declined to £2.64 billion in January, down from £2.82 billion in December, marking the smallest trade gap since September.

The UK recorded a 144k rise in employment in the three months to January, following an upwardly revised 88k increase in the previous period, and significantly above market forecasts of a 95k rise. This marked the fastest job growth in three months. Meanwhile, average weekly earnings (including bonuses) increased 5.8% y/y in the three months to January, marking a slowdown from an upwardly revised 6.1% growth in the previous period.

The UK recorded a 144k rise in employment in the three months to January, following an upwardly revised 88k increase in the previous period, and significantly above market forecasts of a 95k rise. This marked the fastest job growth in three months. Meanwhile, average weekly earnings (including bonuses) increased 5.8% y/y in the three months to January, marking a slowdown from an upwardly revised 6.1% growth in the previous period.

The Chancellor's Spring Statement saw fiscal policy tightened by around £9.7bn in 2029-30, reversing around 30% of the 1% loosening that was put in place last Autumn. Moreover, the Office for Budget Responsibility cut its forecasts for 2025 growth by half to 1% while pushing up their expectations for future years.

The Consumer Price Index increased 0.4% m/m in February, rebounding from a 0.1% drop in January and below forecasts of a 0.5% rise. The headline annual rate fell to 2.8% in February, down from 3% in the previous month, matching the Bank of England's forecasts. The largest downward contribution came from prices of clothing which declined for the first time since October 2021. In contrast, prices rose faster for transport, restaurants and hotels.

In the retail sector, overall sales increased 1% m/m in February, defying expectations of a 0.3% fall, following a downwardly revised 1.4% gain in the previous month. Sales in household goods stores surged, marking the strongest monthly gain since April 2021, with hardware stores having the largest upward contribution. Meanwhile, the GfK Consumer Confidence Index edged up to -19 in March, marking its second consecutive monthly increase, compared to -20 in February. Elsewhere, public sector net borrowing, excluding public sector banks, rose slightly to £10.7 billion in February from £10.6 billion a year prior, exceeding the expected £6.6 billion. Total public sector spending increased by £3.8 billion year-on-year, driven by higher departmental spending on goods, services, and local government operations.

UK inflation has proved somewhat stubborn throughout 2024/25. Having started the financial year at 2.3% y/y (April), the CPI measure of inflation briefly dipped to 1.7% y/y in September before picking up pace again in the latter months. The latest data shows CPI rising by 2.8% y/y (February), but there is a strong likelihood that figure will increase to at least 3.5% by the Autumn of 2025.

Against that backdrop, and the continued lack of progress in ending the Russian invasion of Ukraine, as well as the potentially negative implications for global growth as a consequence of the implementation of US tariff policies by US President Trump in April 2025, Bank Rate reductions have been limited.

Moreover, borrowing has becoming increasingly expensive in 2024/25. Gilt yields rose significantly in the wake of the Chancellor's Autumn Statement, and the loosening of fiscal policy, and have remained elevated ever since, as dampened growth expectations and the minimal budget contingency (<£10bn) have stoked market fears that increased levels of borrowing will need to be funded during 2025.

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

The Bank of England sprung no surprises in their March meeting, leaving Bank Rate unchanged at 4.5% by a vote of 8-1, but suggesting further reductions would be gradual. The Bank of England was always going to continue its cut-hold-cut-hold pattern by leaving interest rates at 4.50% but, in the opposite of what happened at the February meeting, the vote was more hawkish than expected. This suggested that as inflation rises later in the year, the Bank cuts rates even slower, but the initial impact of President Trump's tariff policies in April 2025 on the financial markets underpin our view that the Bank will eventually reduce rates to 3.50%.

### **Borrowing**

It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved Treasury Management Strategy. A list of the approved limits is shown in Appendix B. The Prudential Indicators were not breached during the second quarter of 2024/25 and have not been previously breached. The schedule at Appendix C details the Prudential Borrowing approved and utilised to date.

The Council had not undertaken any new borrowing for a number of years prior to taking out some short term borrowing in March 2024. The Council instead has been utilising cash balances to internally “borrow” for prudential borrowing schemes. This has enabled the Council to benefit from saving on interest costs compared to the returns that could be generated on the cash balances. This approach has been effective during a period where the Council has held significant cash balances.

Cash balances have now reduced as a result of reduced levels of reserves being held and loans continuing to reach their maturity dates. It has therefore been necessary to acquire new external borrowing during the fourth quarter of 2024/25, with new loans of £121.1m secured over short time periods (between 1 year and 2.5years). As these loans mature, the Council will be looking to take advantage of lower interest rates which are anticipated to reduce over this time period.

PWLB rates have reduced over the course of the financial year, which aligns with the reductions that have occurred with the Bank rate during the year. The table below shows the high/low/average PWLB rates for the 2024/25 financial year.

|                | 1 Year     | 5 Year     | 10 Year    | 25 Year    | 50 Year    |
|----------------|------------|------------|------------|------------|------------|
| <b>Low</b>     | 4.77%      | 4.31%      | 4.52%      | 5.08%      | 4.88%      |
| <b>Date</b>    | 26/02/2025 | 17/09/2024 | 17/09/2024 | 17/09/2024 | 17/09/2024 |
| <b>High</b>    | 5.61%      | 5.34%      | 5.71%      | 6.18%      | 5.88%      |
| <b>Date</b>    | 29/05/2024 | 13/01/2025 | 13/01/2025 | 13/01/2025 | 09/01/2025 |
| <b>Average</b> | 5.14%      | 4.86%      | 5.07%      | 5.56%      | 5.32%      |
| <b>Spread</b>  | 0.84%      | 1.03%      | 1.19%      | 1.10%      | 1.00%      |

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## Committee and Date

Transformation &  
Improvement Scrutiny  
9th June 2025

Cabinet  
11th June 2025

Item

Public



## Financial Monitoring Period 1 2025/26

|   |  |      |              |
|---|--|------|--------------|
| <b>Responsible Officer:</b>               | James Walton   |      |              |
| email:                                    | <a href="mailto:james.walton@shropshire.gov.uk">james.walton@shropshire.gov.uk</a> | Tel: | 01743 258915 |
| <b>Cabinet Member</b> (Portfolio Holder): | Roger Evans, Portfolio Holder Finance  |      |              |

### 1. Synopsis

The Financial Monitoring Report for Period 1 provides a very early view of Shropshire Council's financial position for 2025/26. It highlights total savings of £60m, a projected overspend of £13.884m, and a forecasted General Fund Balance of £0.394m by year-end.

### 2. Executive Summary

- 2.1. The Council is producing a Financial Monitoring Report for Period 1 to provide an early view of the financial position that Shropshire Council will be managing this year, given the new budgetary savings in 2025/26, in addition to savings still to be delivered as part of a second year of delivery from 2024/25.
- 2.2. The practicalities of producing a meaningful monitoring report from data up to 30 April requires a risk assessed approach to be taken with a focus on high level, material, and impactful financial information. Management action over periods 1 and 2 is listed below, ahead of a detailed quarter 1 (period 3) report being produced in the familiar format.
- 2.3. The Period 1 Monitor cannot, of course, provide certainty. Its fundamental aim is to provide an early insight into whether the unprecedented actions being undertaken by the Council this year have the potential to secure financial survival, initially, and

then a path to financial sustainability.

2.4. The key financial issues highlighted by this report are:

- a) Savings of almost £60m are deliverable in-year including £7.7m of new proposals and £11m of demand mitigation measures across Social Care, both approved in the 2025 MTFS, and the balance of savings carried forward into year two of delivery from 2024/25.
- b) Projected savings delivery is currently estimated at £24.974m (42%) with a further £20.713m having at least indicative plans in place.
- c) A contingency, built into the General Fund Balance to mitigate against delayed delivery of savings and demand pressures in Adults and Children's services of £20m.
- d) A resulting forecast spend variance over budget, taking into account savings delivery, contingency and other variances anticipated at Period 1, of £13.884m.
- e) An initial General Fund Balance of £34.277m (by combining the brought forward balance of £4.822m with the budgeted contribution to balances of £29.455m) less the assumed mitigation of £20m referred to above leaves a balance of £14.277m – close to the £15m MTFS planned balance.
- f) The initial forecast spend variance of £13.884m, however, could result in a general fund balance at the end of the year of £0.394m.

### 3. Recommendations

It is recommended that Cabinet Members:

- 3.1. Note that the position set out in the report reflects the best information available after the first 4 weeks of the year and hence considerable uncertainty in these early estimates.
- 3.2. Note that at the end of Period 1 (30<sup>th</sup> April 2024), the indicative level of savings delivery is £24.974m (42%), resulting in a projected spend over budget of £13.884m for 2025/26.
- 3.3. Note the control corridor that the Council will be working to for 2025/26 is as follows:
 

|            |                    |
|------------|--------------------|
| Adverse    | £39.700m overspend |
| Central    | £13.884m overspend |
| Favourable | £1.422m overspend  |
- 3.4. Note the projected General Fund Balance of £0.393m for 31 March 2026 if the projected spend over budget is realised.



# 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.

4.2. 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.

### 4.3. Risk table

| <i>Risk</i>  | <i>Mitigation</i>  |
|--|--|
| 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. | To further enhance reporting and action planning on financial performance through the Leadership Board.  |
| Insufficient reserves to cover projected overspending or other deficits  | Improved budget preparation process with more analysis of current and future activity trends. Modelling of current and future reserves levels, including both earmarked and unearmarked, against likely levels of pressure and impact on securing the desirable level of unearmarked (general) reserves. Review of ways in which further funds can be brought into unallocated general fund balances and reserves to support balance sheet repair and reserves improvement with the aim to retain a General Fund Balance within the range of £15m to £30m. |

## 5. Financial Implications

5.1. This report sets out the financial projections for the Council in the 2025/26 Financial Year as at Period 1. A summary of the key elements for managing the Council's budget are detailed elsewhere in this report.

## 6. Climate Change Appraisal

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

6.2. Securing a robust and sustainable financial base will help the Council meet the challenges of climate change – this is not separate to our budget management, but

integral to it, as set out in the objectives of The Shropshire Plan and our aim to secure a Healthy Environment.

## 7. Forecast Outturn

- 7.1. In line with the last financial year, the Council is preparing a Period 1 Financial Monitoring Report. It should be noted, however, that the projected position is an estimate based on only one month of data and given that the Finance Team are focussed on closing down the previous year accounts during April and May, there is little scope to review the data extensively at this point.
- 7.2. At Period 1 (April 1 – April 30), the Council is initially reporting a forecast overspend by year end of £13.884m. This is the Central forecast based on current projections of savings delivery and known spending pressures carried forward from the outturn position which have not been addressed in the 2025/26 budget.
- 7.3. The control corridor that the Council will be operating within is as follows:

**Table 1: Control Corridor for 2025/26**

| Control Corridor | Projection for 2025/26<br>£'000 | Basis   |
|------------------|---------------------------------|---|
| Adverse          | 39,700                          | Current Pressures continue, and savings plans delivered as currently projected, Contingency within General Fund for Savings and known Social Care pressures released. |
| Central          | 13,884                          | As per adverse, however further assumed savings delivery relating to a proportion of indicative plans are delivered.  |
| Favourable       | 1,422                           | All savings delivered except for those considered undeliverable in 2025/26.   |

- 7.4. The key area of concern at this early stage of the financial year is the level of savings delivery projected. Further details on the projected level of savings delivery are detailed in section 8 below.

## 8. Savings Delivery

- 8.1. The current summary position on savings delivery is shown in Figure 1 below. This provides the initial indication of savings delivery as indicated at Period 1.

**Figure 1: Savings Projections**

|   | Savings Target<br>£'000 | Savings Plans in Place<br>£'000 | Indicative Savings Plans Identified<br>£'000 | Unlikely to be delivered in 25/26<br>£'000 |
|---|-------------------------|---------------------------------|--|--|
| 25/26 MTFS savings                                  | 18,710                  | 13,530                          | 3,546  | 1,634                                      |
| 24/25 Savings carried forward for delivery in 25/26 | 41,183                  | 11,444                          | 17,167                                       | 12,572                                     |
| <b>Total</b>  | <b>59,893</b>           | <b>24,974</b>                   | <b>20,713</b>                                | <b>14,206</b>                              |

8.2 Further work will be taken during Period 2 to confirm the likely implementation dates of the savings proposed to provide a more accurate position for Period 2, particularly for those savings plans where indicative savings plans have been identified.

## 9. General Fund Balance

9.1. The 2025/26 budget includes a £29.455m contribution to the General Fund Balance. Table 2 details the projected General Fund Balance following this budgeted contribution, but also includes the impact on the Balance should the spend over budget of £26.297m materialise.

**Table 2: General Fund Projection**

| <b>General Fund Balance</b>  | <b>£'000</b>  |
|--|---------------|
| Opening Balance as at 1 April  | 4,823         |
| Budgeted contribution to GF  | 29,455        |
| <b>Budgeted General Fund Balance as at 31 March 2026</b>               | <b>34,278</b> |
| Funding for known pressures in Social Care and non-delivery of savings | (20,000)      |
| Projected Overspend as at P1   | (13,884)      |
| <b>Balance as at 31 March 2026</b>                                     | <b>394</b>    |

**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<sup>th</sup> February 2025

Financial Rules

**Local Member:** All

**Appendices**

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**Committee and Date**

**Cabinet**

**11<sup>th</sup> June 2025**

Item

Public



## Telecare Charging Consultation

|   |                               |      |             |
|---|-------------------------------|------|-------------|
| <b>Responsible Officer:</b>               | Laura Tyler                   |      |             |
| email:                                    | Laura.Tyler@Shropshire.gov.uk | Tel: | 01743253178 |
| <b>Cabinet Member (Portfolio Holder):</b> | Ruth Houghton                 |      |             |

### 1. Synopsis

- 1.1 A public consultation has been undertaken regarding the proposal to introduce charges for the telecare services currently provided by the Council which was set out as initial saving proposals in 2024 to inform future budget sustainability. Following the outcome of the consultation, Cabinet is asked to consider the proposals set out below to introduce a charging structure for the provision of telecare services for the residents of Shropshire which aligns to the Shropshire Plan to prevent and reduce the need for high-cost care and support whilst maintaining independence.

### 2. Executive Summary

- 2.1 Shropshire Council currently provides telecare services free of charge to all 2,060 individuals including self-funders. Telecare refers to a wide range of assistive technologies designed to support individuals to live independently. These systems are connected to the Alarm Receiving Centre (ARC), which operates 24/7, 365 days a year, ensuring that users receive immediate assistance in emergencies.
- 2.2 With demand increasing, the Council must ensure the long-term sustainability of telecare services. Introducing charges will allow the Council to continue delivering high-quality support, while also adapting to the transition from analogue to digital telecare technology.

- 2.3 Currently, Shropshire Council is one of very few councils who do not charge for telecare. The introduction of charges will help to secure future service provision and enable ongoing investment in new technologies in line with the innovative and flagship virtual care service which has been running since 2020. This has been developed to address the evolving needs of individuals and the rising demand for social care services in Shropshire. By harnessing the power of technology-enabled care (TEC), also known as assistive technology, the programme focuses on delivering robust risk management strategies, improved care outcomes and diminishing dependencies on conventional forms of care and support.
- 2.4 The telecare service aims are driven by the strategic objectives of the Council. The Shropshire Plan is explicit in its focus on 'helping people to stay healthy for longer, preventing or reducing the need for health and care support', with a vision of 'Shropshire living the best life' and working with our partners and communities to deliver the vision and priorities for Shropshire to promote Healthy People. And using emerging technologies and digital solutions will enable us to provide our customers with improved and quicker access to information.
- 2.5 The service is fundamental to supporting older people and vulnerable adults to be and remain as independent as they can for as long as possible and to ensure that their later years are as healthy as possible. The aim of the service is to assist vulnerable adults towards feeling safer and more protected; this is a key aim within the Shropshire Plan.

### 3. Recommendations

That Cabinet:-

- 3.1 Approve the introduction of charging for telecare services as outlined in this report with effect from 1<sup>st</sup> October 2025 on the basis that any financial contribution will be determined by reference to the Council's Adult Social Care Charging and Financial Assessment Policy for Non-residential Care 2024-25 and;
- 3.2 Approve that, aligned with good practice, individuals will be supported to maximise income and to access eligible benefits in order to mitigate any adverse financial impact; and;
- 3.3 delegate responsibility for implementing the charging structure for telecare services provided by the Council to the Executive Director (DAS) in consultation with the Portfolio Holder for Social Care.

# Report

## 4. Risk Assessment and Opportunities Appraisal

- 4.1. Risk narrative: An assessment of the current telecare service has taken place and there are several significant risks to the Council if services are not transformed and additional investment sought.
- 4.2. Ongoing risks, which Cabinet are asked to consider include:
- The service in its current format may not be sustainable in light of increasing demand for social care services at a time of ongoing reduction in budgets
  - The Council needs to respond to the challenges and opportunities presented by the 2027 digital switchover in relation to utilising technology in social care; Digital devices tend to be more costly than analogue ones, which need replacing due to the digital switchover. Since digital devices require SIM cards, they come with additional ongoing expenses, alongside the upfront cost of purchasing new equipment.
- 4.3 The Consultation on charging for telecare outlines some of the impact and risks of proposed service changes on residents.
- 4.4 Risk table

| <i>Risk</i>   | <i>Mitigation</i>  |
|---|--|
| Cancellation of service: Individuals may cancel their service even if they are deemed to still need it due to the introduction of charging. | <p><b><i>The processes described below serve as control measures, outlining the actions to be taken to manage the risk if an individual cancels their service due to charging.</i></b></p> <p>If an individual cancels their service due to the introduction of charging, the Telecare Team at Shropshire Council must notify the allocated social care worker or Duty social work team within two working days. The assigned officer will conduct a risk assessment to identify any potential risks arising from unmet needs and take appropriate measures to mitigate them. Additionally, a review will be undertaken to determine whether a charging assessment has been completed or is required.</p> <p>As part of this process, we will aim to mitigate any adverse financial impact and maximise an individuals' income through a benefit check and facilitate referrals to other sources of support where necessary such as advocacy services. The allocated officer will ensure that the decision to cancel the service is an informed choice</p> |

|   |   |
|---|---|
|   | <p>rather than one based solely on financial considerations.</p> <p>Shropshire Council remains committed to funding telecare for individuals who have been financially assessed and deemed as not being able to pay for their care In line with The Care Act. This includes those with an existing social care package funded by the Council, as well as individuals entitled to free services under Section 117 of the Mental Health Act 1983 or as part of a time-limited reablement package following hospital discharge.</p> <p>A financial assessment will determine an individual's ability to contribute to the cost of telecare services, with charges being applied to those who are able to pay (self-funders). All individuals will be financially assessed and the Minimum Income Guarantee will be applied in line with the Adult Social Care Charging and Financial Assessment Policy for Non-Residential Care 2024-2025 (Appendix 4)</p> |
| Affordability and cost of Living crisis: Charging for telecare service may affected individuals negatively, in ways that include difficulties meeting basic needs such as heating their homes, eating a balanced diet, increased social isolation, and mental health impacts such as loss of sleep. | During the financial assessment process (as described above), the Council may advise on benefit entitlement, including referrals or signposting to relevant agencies and services. Residents will only be charged if Telecare is the only identified need. Those receiving broader services would contribute to the cost of the service based on their income and expenditure undertaken by the Financial Assessment team in line with the Adult Social Care Charging and Financial Assessment Policy for Non-Residential Care 2024-2025.   |
| Increase in complaints  | If someone disagrees with their financial assessment outcome, they can request a review by explaining why they believe the decision is incorrect. If additional information needs to be considered, people will be advised that they should contact the Financial Assessment team. In some cases, this may involve completing a new financial assessment form. If the person remains dissatisfied, they will be advised that they can file a complaint via the Shropshire Council website or via the first point of contact.  |



|   |   |
|---|---|
| Impact on other services such as NHS and community and voluntary sector: The services affected by this proposal could impact both social and health-care sectors if people decide to not continue to receive the telecare service, or do not take up the offer of telecare due to the charge. | A risk assessment may be conducted to identify any risks due to unmet needs, and measures will be taken to mitigate these risks wherever possible. The proposed change aims to increase the accessibility of the service.   |
| Impact on Internal teams: There is a risk that our internal teams may lack sufficient capacity to integrate the new charging functionality into existing systems. Throughout the consultation process, these teams have highlighted their current resource constraints.                       | <ul style="list-style-type: none"> <li>• <b>Resource Reallocation:</b> Prioritise the charging integration by shifting resources from non-critical projects to ensure the task is adequately staffed. Project Management team have offered support here with a clear, timetabled implementation plan.</li> <li>• <b>Timeline Adjustments:</b> Adjust implementation milestones to reflect realistic capacity challenges, ensuring quality is maintained throughout.</li> <li>• <b>Ongoing Monitoring:</b> Conduct regular progress reviews to quickly identify and address any further capacity issues during implementation</li> </ul> |
| Impact on carers and family members   | <ul style="list-style-type: none"> <li>• Care eligible individuals (as described above) will not be charged</li> <li>• The proposed charge is at a subsidised rate</li> <li>• The proposed change aims to increase the accessibility of the service</li> <li>• Guidance will be provided to direct carers toward relevant support services they may benefit from</li> </ul>   |
| Debt  | Existing users may continue accessing the system without making payments, potentially leading to accumulated debt and the need for payment recovery procedures. Support will be provided to facilitate payment through the Council's debt management process, which will be aligned with the existing debtor framework within Adult Social Care. This process will follow the outlined financial assessment to determine the individual's ability to pay. If charging is introduced, the 'debtors' list for telecare services will be monitored on a monthly basis.   |

## 5. Financial Implications

- 5.1 The Council continues to manage unprecedented financial demands as budgeted for within the Medium-Term Financial Strategy approved by Council on 27 February 2025 and subsequent updates. It is also addressed in our monitoring position presented to Cabinet on a monthly basis. Significant management action has and continues to be undertaken to ensure the Council's financial survival. While all reports provide the financial implications of decisions being taken, this may change as officers review the overall financial situation and make decisions aligned to financial survivability. Where non-essential spend is identified within the Council, this will be reduced. This may involve
- scaling down initiatives
  - changing the scope
  - delaying implementation, or
  - extending delivery timescales
- 5.2 At present, approximately 2,060 individuals receive telecare services in Shropshire. However, based on the experiences of Telford and Wrekin Council in 2024 and feedback from consultation responses, the introduction of charges is expected to result in a 21–40% reduction in service uptake.
- 5.3 Under the proposed charging model, 297 telecare users would be exempt from fees, in line with the proposed commitment to continue funding the service for those who are care eligible - meaning their social care package is already funded by the Council following assessment cannot be changed.

### Cost of Telecare

- 5.4 The current weekly contract price, including equipment purchase, monitoring, staffing, and administration is £11.34 per telecare user in the first year and it proposed that this is not passed onto the customer due to the current purchasing of devices. From year two onward, this cost reduces to £3.51 per user per week. It is proposed that, where an individual is considered able to pay, a weekly charge of £3.45 is introduced for the provision of the telecare service to each user.
- 5.5 The following table outlines the typical costs associated with setting up and maintaining telecare devices, based on the Council's current commissioning arrangements for purchasing equipment. It does not include the cost of equipment or telecare devices, as these are purchased separately on a one-off basis within our existing commissioning arrangement.

|  |   |
|--|---|
| SIM Cost   | £40 (annual charge)   |
| Installation Cost (one off)  | £46.83 (one off) N.B there is also a deinstallation charge which hasn't been included |
| Fault cost (one off – or as needed – current data suggests on average there is | £39   |

|   |                                      |
|---|--------------------------------------|
| one fault call out per user per year)   |                                      |
| Alarm receiving centre costs and review of the Device Management Platform daily to ensure equipment is working as it should and there are no faults | £26.59 (annual charge)               |
| <b>Total</b>  | <b>£152.42</b>                       |
| Staffing Overhead (20% of above figure) (telecare Co-ordinator, manager and overheads)  | £30.48                               |
| <b>Grand total</b>  | <b>£182.90/ 52 weeks of the year</b> |
| <b>Ongoing weekly cost</b>  | <b>£ 3.51 per person per week</b>    |

- 5.6 The table below illustrates the projected annual income calculation from the introduction of a telecare charging structure.

|   |                                 |
|---|---------------------------------|
| Total Users (excluding those with care packages and under Section 117 of the Mental Health Act):                                      | 1,793                           |
| Estimated Reduction (30%):  | 538 users                       |
| Remaining Users: 1,255  | 1,255                           |
| Weekly Charge per User:   | £3.45 per week/<br>per Year: 52 |
| Annual Income: 1,255 users × £3.45 per week × 52 weeks =  | £225,147.00                     |
| Additionally, based on 430 new telecare referrals in 2024/2025 paying a one-time startup fee of £35 per new user, this would generate | £15,050.00                      |
| <b>Total Projected Annual Income:</b>   | <b>£240,197.00</b>              |

## 6. Climate Change Appraisal

6.1 Energy and fuel consumption – no effect.

6.2 Renewable energy generation – no effect.

- 6.3 Carbon offsetting or mitigation.
- 6.4 As part of the ongoing digital transformation of the telecare service, new digital devices are being introduced with remote monitoring capabilities to ensure they function as intended. This advancement not only enhances efficiency by reducing the need for engineers to travel for fault diagnosis but also supports the green agenda by cutting down on unnecessary emissions from vehicle use. By minimising travel and optimising resource allocation, the service contributes to a more sustainable approach to delivering the service and, aligning with broader environmental goals
- 6.5 Climate change adaptation – no effect.

## 7. Background

### How Telecare Works

- 7.1 Telecare encompasses various devices, including:
- Alarm systems linked to the ARC, allowing users to call for help in emergencies
  - Automatic alert systems, such as fall detectors and sensor mats, which trigger warnings if a user experiences a fall or other issue
  - Standard alarm packages, which typically include:
    - A base unit (connected via a telephone line, internet, or SIM card)
    - A call button, worn as a pendant or wrist strap
    - Additional fall sensors or monitoring equipment, designed to improve safety
- 7.2 When an alarm is activated, the ARC assesses the situation and determines the appropriate response—whether contacting a listed emergency contact, a relevant service provider, or emergency services.

### Benefits and Outcomes

- 7.3 Telecare enhances independence, safety, and well-being, providing reassurance for users and their families. Specific benefits include:
- **Enhanced Safety & Independence:** Individuals can remain in their homes while knowing immediate support is available
  - **Reduced Hospital Admissions:** Early intervention through monitoring helps prevent emergencies and unnecessary hospital visits
  - **Peace of Mind for Families & Carers:** Loved ones feel reassured that assistance is available whenever needed
  - **Cost-Effectiveness:** Telecare reduces strain on health and social care services by minimising the need for in-person support
  - **Improved Response Times:** Faster emergency intervention helps lessen the impact of incidents such as falls

## Alignment with the Care Act 2014

- 7.4 The Care Act emphasises the importance of the provision of preventative care, focusing on promoting and maintaining independence rather than reacting to crises. Local authorities have a duty to prevent, delay, or reduce individuals' needs for support.
- 7.5 Telecare is highlighted in statutory guidance as a key example of secondary prevention and early intervention, helping individuals manage risks, maintain independence, and reduce reliance on more intensive care support.
- 7.6 The provision of a telecare service is a non-statutory service which the Council is not obliged to provide. Nevertheless, telecare services are provided as an integral component of the Care Act's preventative measures, which are designed to foster and maintain individual independence.
- 7.7 By introducing a sustainable charging model, it is believed that the Council can continue offering effective telecare services, ensuring its residents benefit from enhanced safety, security, and long-term independent living.
- 7.8 Section 2 of the Care Act places a duty on a local authority to prevent, delay or reduce the need for care and support arising. The provision of telecare services supports the wellbeing principle within the Care Act, enhancing individuals' independence and well-being for as long as possible. Preventative interventions can help people live safely and reduce the need for care and support.
- 7.9 Sections 14 and 17 of the Care Act and The Care and Support (Preventing Needs for Care and Support) Regulations 2014 ("the Regulations") permit the Council to make a charge to cover the cost that is incurred by meeting a need to which a charge may apply. Section 2(5) of the regulations provides that a charge under the regulations may only cover the cost that the local authority incurs in providing or arranging the provision of the service, facility or resource. To establish the amount of the charge to be made, a financial assessment is required to determine an individual's contribution to their care costs.
- 7.10 A local authority has discretion to decide whether or not to charge a person when it is arranging to meet a person's care and support needs, except in certain circumstances where the local authority is not permitted to make a charge and must arrange care and support free of charge. The provision of telecare services is one of the services for which a charge can be made.
- 7.11 The current weekly contract price, including equipment purchase, monitoring, staffing, and administration—is £11.34 per telecare user in the first year and it proposed that this is not passed onto the customer due to the current purchasing of devices. From year two onward, this cost reduces to £3.51 per user per week. It is proposed that, where an individual is considered able to pay through the financial assessment process, a weekly charge of £3.45 is introduced for the provision of the telecare service to each user. The proposed £3.45 weekly charge is set at a level to ensure the Council does not exceed the actual service costs (in line with the Care Act 2014) while keeping fees as low as possible through a subsidised rate. The proposed charge remains

comparatively low when benchmarked against the charging structures of other local authorities. The proposed installation charge of £35 is a subsidised fee, compared to the £46.83 installation cost charged to us by our provider. This amount also considers the £35 deinstallation charge incurred, which is not being passed on to the individual.

## Benchmarking

7.12 Appendix '1' presents benchmarking data on the charging structures for telecare services across various local authorities. The table below offers an overview of telecare charging practices within the West Midlands and surrounding areas.

| Council  | Details   | Weekly charge | Monthly charge         | Installation charge | Other points  |
|--|---|---------------|------------------------|---------------------|---|
| <b>Coventry</b>  | Charges based on financial assessment   | £4.05         |                        |                     |   |
| <b>Dudley</b>  | Note - monthly charge is PLUS VAT. People on low income and receive help with Council Tax may be entitled to a discount                           |               | £23.40                 |                     | A standard charge, which is not dependant on the number of Telecare products installed in the property. |
| <b>Wrexham</b>   | Tier 1: Basic lifeline  | £5.65         |                        | £25                 | £25 cancellation charge within 18 months  |
| <b>Shropshire Towns and Rural Housing (Private service)</b>              | Basic package   | £3.50         |                        | £25.00              |   |
| <b>Herefordshire</b>   | They offer telecare free for 6 weeks and after that they charge £3.69 no vat – this is what most people pay.                                      | £3.69         |                        | None                | £4.43 with the VAT.   |
| <b>Watch (Shropshire, Telford and Wrekin) operated by Wrekin Housing</b> | Various packages:   |               | £25-33 a month         |                     |   |
| <b>Telford and Wrekin Council</b>  | Various packages  | £3.75         | £15 a month            |                     |   |
| <b>Shropshire Council (proposed)</b>                                     | Non tiered service- Proposal that this is a standard charge, which is not dependant on the number of Telecare products installed in the property. | £3.45         |                        | £35.00              | Some exemptions to the charges (please see detail in paper section 5.7).                                |
| <b>Walsall</b>   | Levels 1- 3 tiered service.   | £3.75 - £5.25 | £15.00- £21.00 a month |                     |   |
| <b>Birmingham City Council</b>   | This is based on the provision of the basic Careline alarm box and pendant, and includes: Install, Maintain and monitor                           | £3.50         |                        |                     |   |
| <b>Sandwell</b>  |   | £5.30         |                        | £30.60              |   |

|                      |  |   |  |  |                                      |
|----------------------|--|---|--|--|--------------------------------------|
| <b>Wolverhampton</b> | Levels 1- 4 tiered service.  | From £3 to £9                                   |  |  | Free for people on certain benefits. |
| <b>Staffordshire</b> | Telecare is not free to Staffordshire residents. A choice of which Telecare provider to go with, what type of package is required and how much residents want to pay.  | Charge depending on range of provider of choice |  |  |                                      |
| <b>Warwickshire</b>  | Telecare which is monitored and provided through Warwickshire County Council is a chargeable service. Customers will need to have a financial assessment and telecare is charged at a maximum of £3.06 per week. | £3.06   |  |  |                                      |

## Consultation

- 7.13 The consultation was undertaken between 20 January 2025 and 10 March 2025, with responses being accepted until 11 April 2025. All responses received were duly considered, and the complete range of feedback is set out in Appendix '2' – Telecare Consultation Report.
- 7.14 The principal approach to engagement was through a formal consultation survey, made available in both electronic and paper formats. A printed version (with a freepost envelope for return) accompanied by a link to the online questionnaire, was distributed by post to all 2,060 service users. Additionally, libraries and Shropshire Local centres were supplied with paper copies and offered assistance to residents in completing the survey, where required.
- 7.15 Additionally, consultation materials were disseminated to health colleagues within the Integrated Care Board (ICB), promoted via the Voluntary and Community Sector Assembly (VCSA) newsletter, shared with housing providers, and made available internally through the main Shropshire Council website.
- 7.16 Key Findings:
- Consultation Responses: In total 467 people responded to the consultation and a significant proportion of respondents accessed the survey through the postal information sent to existing Telecare service users (91% of all survey responses were postal and 9% were online)
  - 52% of respondents disagreed with the introduction of the £3.45 weekly charge
  - Charging for Telecare: When asked whether they would continue using the telecare service if charges were introduced, 49% of respondents indicated they would retain the system. 21% wouldn't and others didn't know, or the question wasn't applicable

- Satisfaction with Telecare: Regarding the quality of the telecare service, 82% of respondents rated the system as Good or Very Good
- There is also a lot of support for a free 6-week trial for those with a reablement package (48% agree or strongly agree)

7.17 It is clear from the responses received how valuable to service is for people with quotes such as:

*"We are very grateful for this reassuring service. When used, the staff have been excellent. The Engineers have also been superb and any new equipment/updates/repairs etc. have been undertaken efficiently and professionally."*

7.18 With mixed comments received regarding the charging proposal including:

*"No, I know it's hard times, but this is a great service and don't think people who already use it should have to pay."*

7.19 And comments such as:

*"I feel that it is very fair that we should contribute to the service. To me it is very important contact to have knowing that help is at hand if needed."*

7.20 Many respondents expressed concerns about affordability and the potential negative impact on vulnerable individuals. Suggestions included means-testing charges and keeping the service free for those in greatest need. Many people highlighted concerns that the loss of a preventative service such as telecare would increase costs elsewhere.

### **Proposed Charging Structure**

7.21 Following the outcome of the consultation, Cabinet is requested to consider with effect from 1 October 2025, the implementation of a charging structure for telecare services as described in this report. If agreed, Cabinet is also requested to agree that the implementation of the charging structure be delegated to the Executive Director of Adults with the support of Commissioning. To ensure the sustainability and accessibility of telecare services, the following charging structure is being proposed:

7.22 The Council remains committed to funding telecare for individuals with a care package funded by the Council (as they will have already completed the financial assessment process to assess their ability to pay for services). For those individuals who must receive services free of charge as part of their after-care services under Section 117 of the Mental Health Act 1983 and as part of a time limited reablement package following discharge from hospital, the service will remain free. The Council is not permitted to make a charge for services provided as part of a reablement package upon discharge from hospital. If an individual requires telecare services upon discharge from hospital, a free, time-limited telecare service (up to six weeks) will be offered after hospital discharge as part of the reablement process. This early introduction to telecare aims to



boost user confidence in the technology and service, encouraging sustained engagement. Following the expiry of the reablement period, an individual wishing to continue to use telecare services will be asked, where applicable, to contribute to the cost of such provision following a financial assessment. When a person has eligible care needs, a financial assessment must be carried out. An officer from the Financial Assessment Team will contact the person or their representative to arrange the completion of a Financial Declaration through the Online Financial Assessment Calculator. Completion of the assessment is required to determine the financial contribution a person should contribute towards their personal budget. The upper capital limit is currently set at £23,250 and the lower capital limit at £14,250.

- 7.23 A person with more than £23,250 in capital, will be deemed to have sufficient resources to purchase their own care, and (unless exceptional circumstances apply) will not qualify for funded support from Shropshire Council.
- 7.24 The purpose of the Financial Assessment is to:
- Correctly identify how much the person should contribute towards their personal budget.
    - Establish if the person has entitlement to benefits
    - Signpost the person to 3rd party organisations who could assist them to claim any such benefits
  - Identify any permissible additional expenditure which the person may have because of their disability
- 7.25 **Eligibility for Charges and Benefit Maximisation:** Charges will apply to individuals with lower-level needs or choosing to have telecare who do not meet the Care Act threshold. For individuals assessed under the Care Act as requiring care or support, a financial assessment will determine their ability to pay for services including telecare in line with the Adult Social Care Charging and Financial Assessment Policy for Non-Residential Care 2024-2025 (Appendix 4). As part of this process, a thorough benefit check will be conducted to ensure they are claiming all entitled benefits. Our aim is to maximise individuals' income and facilitate referrals to relevant agencies, such as advocacy services in the County, to provide additional support. Recognising that many people do not claim the benefits they qualify for, this process actively addresses and rectifies such gaps.
- 7.26 If charges apply:
- 7.27 **Subsidised Weekly Rate:** A subsidised fee of £3.45 per week is proposed to be made to users who have been assessed as being subject to the charge.
- 7.28 **One-Off Startup Fee:** New users of the service will pay a subsidised one-time setup fee of £35, which partially covers the installation costs. The total installation charge is currently £46.83, meaning the £35 fee serves as a contribution toward this expense.
- 7.29 This structure aims to balance affordability with service sustainability, ensuring ongoing support for those who require telecare while maintaining financial viability to the Council

## Demand information.

- 7.30 The number of older people living in Shropshire over the age 65 was 82,000 from the 2021 census data. This rose from 63,300 in 2011. The number of people over the age of 65 accounts for 25.3% of the total population in Shropshire compared to 20.7% in 2011. In England this figure is 18.4%. The number of people aged 85 and over increased from 8,400 in 2011 to 10,800 in 2021. ([Shropshire's profile | Shropshire Council](#)).

## Future demand information

- 7.31 By 2043, the number of people aged 65 and over in Shropshire is expected to rise by 63%, increasing from 77,800 in 2018 to 126,500 ([Future projections | Shropshire Council](#)). This age group will make up a third of the county's population, leading to a heightened demand for social care and telecare services. As a result, sustaining the current telecare service model will become increasingly challenging due to growing pressure from rising demand.
- 7.32 **The service will meet many of the key priorities detailed within The Shropshire Plan and the People's Directorate Plan including:**
- Prevention and early detection to support health and wellbeing.
  - Promotion of wellbeing and self-care
  - Integration of our health and care services
  - Keeping people safe
  - Reducing the complexity in navigating health and social care and community-based services

## 8. Additional Information

- 8.1 ESIHA: An Equality, Social Inclusion and Health Impact Assessment (ESHIA) was completed prior to consultation (Appendix 3). The initial screening process has indicated likely low to medium positive impacts for individuals and households at risk of social exclusion in Shropshire, including vulnerable individuals such as those living in fuel poverty and refugee households. The Council will seek to maximise positive equality impacts for vulnerable individuals, including those with disabilities. There will also be neutral to positive impacts for veterans and serving armed forces members and their families, whom the Council considers under Social Inclusion, an additional category not defined by the Equality Act.
- 8.2 A potential negative impact identified is the ability to pay for the service. During the financial assessment, the Council may provide advice on benefit entitlement and refer or signpost individuals to relevant agencies and services. The Consultation aimed to obtain feedback from a wide range of people and organisations to assess the potential negative impact and enhance predicted positive impacts.

## 9. Conclusions

- 9.1 The proposed telecare charging structure represents a forward-thinking and balanced response to the evolving demands placed on Shropshire Council's Adult Social Care services. The introduction of a charging structure helps to bring us in line with the majority of other councils and also help address the pressing financial challenges outlined in the Medium-Term Financial Strategy, ensuring that essential services remain sustainable in an environment of constrained budgets and increasing demand.
- 9.2 In tandem with these financial considerations, the change acknowledges the imperative to respond to the 2027 digital switchover deadline. This landmark transition underscores that digital devices and support systems are becoming more expensive, necessitating a model that leverages technology in social care without compromising service quality. By embracing digital transformation, the Council can capitalise on the efficiency and extended benefits of digital telecare while managing cost pressures effectively.
- 9.3 The extensive consultation process, which gathered mixed feedback with roughly 49% of respondents indicating ongoing use despite the introduction of charges. We are not permitted under the Care Act to make a charge for reablement services for up to 6 weeks.
- 9.4 The consultation has illuminated both the potential impacts and necessary safeguards associated with the proposed changes. Key risks have been identified, such as:
- 9.5 **Service Cancellation:** There is a risk that some individuals might cancel their telecare service despite still needing it. To mitigate this, any cancellations trigger a review by the financial assessment team, followed by appropriate risk assessments and interventions by social workers.
- 9.6 **Affordability and the Cost-of-Living Crisis:** Charging may adversely affect those already struggling to meet basic needs—such as heating, nutrition, and mental health stability. Mitigation measures include providing advice on benefit entitlements and referrals to relevant agencies during the financial assessment process.
- 9.7 **Impact on Related Services and carers:** Should the charge deter users, there could be broader repercussions on the NHS, community services, and the voluntary sector. Telecare's role in reducing admissions to intensive care facilities and supporting independent living remains critical, prompting regular risk assessments to ensure that any gaps are promptly addressed.
- 9.8 Additionally, the Council's proactive financial management—routinely reviewing spending, scaling down non-essential initiatives, and adjusting delivery timescales—reinforces its commitment to long-term survivability. This approach is particularly vital given Shropshire's unique demographic profile, where 25% of the population is over 65, a figure notably higher than in comparable regions.

- 9.9 In summary, by integrating a charging structure with robust risk mitigation measures, strategic financial management, and a clear response to digital transformation, Shropshire Council is poised to enhance and future-proof its telecare services. This ensures that while the challenges of an evolving cost environment and digital demands are met, the service continues to safeguard the health, well-being, and independence of its residents into the future.

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

**Local Member:**  
**All**

**Appendices:**

Appendix 1: Telecare Benchmarking

Appendix 2: Telecare Charges Consultation Report

Appendix 3: ESHIA

Appendix 4: Adult Social Care Charging and Financial Assessment Policy for Non-Residential Care 2024-2025

## Telecare Charges

| Council         | Details   | Weekly charge | Monthly charge | Installation charge | Other points  |
|-----------------|---|---------------|----------------|---------------------|---|
| <b>Coventry</b> | Charges based on financial assessment   |               |                |                     |   |
|                 | Level 1: a Lifeline alarm unit, and personal trigger alarm linked to the control centre                                 | £4.05         |                |                     |   |
|                 | Level 2: As Level 1 plus access to monile reponder unit   | £6.75         |                |                     |   |
|                 | Level 3: As level 1 plus detectors and sensors  | £9.50         |                |                     |   |
|                 | Level 4: As level 3 plus plus access to mobile responder unit   | £13.55        |                |                     |   |
| <b>Dudley</b>   | Note - monthly charge is PLUS VAT. People on low income and receive help with Council Tax may be entitled to a discount |               | £23.40         |                     | A standard charge, which is not dependant on the number of Telecare products installed in the property. |
| <b>Wrexham</b>  | Tier 1: Basic lifeline  | £5.65         |                | 25                  | £25 cancellation charge within 18 months  |
|                 | Tier 2: as tier 1 plus smoke detector, heat extremes monitor, inactivity monitor & bogus caller button                  | £6.36         |                |                     |   |
|                 | Tier 3: social services assessed as needing additional bespoke equipment  | £6.36         |                |                     |   |

|  |   |       |                      |        |                     |
|--|---|-------|----------------------|--------|---------------------|
| <b>Shropshire<br/>(STAR Housing<br/>only)</b>  | From Shropshire towns & rural housing: If you property rented from Shropshire Council (managed by Shropshire Towns Rural Housing) this will be added to your rent. Privately rented or home owners invoiced quarterly | £3.50 |                      | £25.00 |                     |
| <b>Herefordshire</b>   | They offer telecare free for 6 weeks and after that they charge £3.69 no vat – this is what most people pay. This is for people who have health problems so this equipment is VAT exempt.                             | £3.69 |                      | None   | £4.43 with the VAT. |
| <b>Watch<br/>(Shropshire,<br/>Telford and<br/>Wrekin)<br/>operated by<br/>Wrekin Housing</b> | Various packages:   |       |                      |        |                     |
|  | 1) Chiptech Seven & Personal Pendant - roaming sim (no wifi required)   |       | £33 a month plus VAT |        |                     |
|  | 2) Telealarm & Personal Pendant (operates in low signal areas through wifi router)  |       | £25 a month plus VAT |        |                     |
| <b>Telford and<br/>Wrekin Council</b>  | Various packages  | £3.75 | £15 a month          |        |                     |

|                                      |   |   |                        |        |  |
|--------------------------------------|---|---|------------------------|--------|--|
| <b>Shropshire Council (proposed)</b> | Non tiered service- Proposal that this is a standard charge, which is not dependant on the number of Telecare products installed in the property.                     | £3.45   |                        | £35.00 | Some exemptions to the charges (please see detail in paper). |
| <b>Walsall</b>                       | Levels 1- 3 tiered service.   | £3.75 - £5.25                                   | £15.00- £21.00 a month |        |  |
| <b>Birmingham City Council</b>       | This is based on the provision of the basic Careline alarm box and pendant, and includes: Install, Maintain and monitor   | £3.50   |                        |        |  |
| <b>Sandwell</b>                      |   | £5.30   |                        | £30.60 |  |
| <b>Wolverhampton</b>                 | Levels 1- 4 tiered service.   | From £3 to £9                                   |                        |        | Free for people on certain benefits.                         |
| <b>Staffordshire</b>                 | Telecare is not free to Staffordshire residents. A choice of which Telecare provider to go with, what type of package is required and how much residents want to pay. | Charge depending on range of provider of choice |                        |        |  |

|                     |   |       |  |  |  |
|---------------------|---|-------|--|--|--|
| <b>Warwickshire</b> | <p>Telecare which is monitored and provided through Warwickshire County Council is a chargeable service. Customers will need to have a financial assessment and telecare is charged at a maximum of £3.06 per week. The telecare service includes a rapid response service for those customers who do not have friends or family near by. Customers can buy their own telecare service, Millbrook Healthcare offer a free eight week trial. Though there are lots of suppliers of telecare.</p> | £3.06 |  |  |  |
|---------------------|---|-------|--|--|--|



# Telecare Charging Consultation Feedback Report

May 2025



# 1 Background

Shropshire Council undertook an engagement project to consult on proposals to charge for Telecare in January 2025 and the feedback obtained is covered in this report. Telecare is a service that helps to support people to live independently. It provides reassurance that Telecare clients and their carers can access and receive emergency support 24 hours a day. A standard telecare alarm package usually comes with a base unit. This either plugs into the telephone line or connects to the internet. It also comes with a call button, which can be worn as a pendant around the neck, wrist strap, and sometime includes falls detectors worn on the wrist and sensor mats. The call button is the part used call for help when needed or some equipment can generate automatic alerts in the event of particular issues arising such as a fall. When activated the call will be picked up by a Response Centre which operates 24/7. The response centre assesses the situation and makes a decision about the help needed. This might be to call an emergency contact such as a family member or friend, call a service listed on the person's record or to call emergency services.

In some areas, the Telecare Responder service provides assistance and home visits to check on clients' wellbeing. While this service is not currently available in Shropshire, the consultation included a request for feedback to determine if it would be beneficial.

Budget constraints and the financial context for local councils has led Shropshire Council to explore ways of recovering some of the costs associated with running Telecare services. cost of social care services. Around £4 in every £5 the council spends is on social care, looking after the most vulnerable people in the county. More people than ever now need this support, which the council must provide, while costs to do so are rising. Central Government funding restrictions mean that the Council has been looking at alternative ways to recover some of the costs of running some services. One of the options is to introduce charges for some of the services that were previously free.

Shropshire is currently one of very few councils that do not charge any residents for the Telecare service. The typical charge for Telecare services in other councils ranges from £1.50 to £19 per week. Introducing a charge in Shropshire would bring the council in line with other areas and allow Shropshire Council to sustain and develop the service.

The Telecare service is a non-statutory service (services which the council is not obliged to provide) and often used as part of a person's Support Plan to meet their eligible care needs; however, there are currently examples of people with no eligible needs receiving these services who are not being charged. For people with lower-level needs or as a preventative measure, the proposal being consulted on is to ask for a payment towards the service.

The proposal is to ensure the following principles are applied consistently to non-statutory services:

- If a person receives a non-statutory service to meet their eligible needs, this would form part of their overall Support Plan and financial assessment.

- If the council chooses to provide a non-statutory service to a person who doesn't have eligible needs or their eligibility has not been established, we would charge the actual cost of that service.

Features of the charging proposal are:

- Shropshire Council is proposing to introduce a charge for Telecare of £3.45 a week. This charge would apply to both existing and new users of Telecare.
- Residents who receive a package of care from Shropshire Council or those entitled to after-care services provided under Section 117 of the Mental Health Act will not pay for telecare.
- New users will be asked to cover a one-off start-up fee of £35.00.
- New users would have a free 6-week trial of the service as part of the proposals, under a reablement package as per the legislation.
- The charge would be the same no matter how little or often the alarm system is triggered
- All Telecare equipment remains the property of the Council
- The charge will be reviewed annually when the Council sets its budget, fees and charges.

An online survey was promoted widely as a method of gathering views, and users of the Telecare service received a letter and copy of the survey to enable them to share their views. To obtain feedback the consultation advertised through Shropshire Council's newsroom, through survey and consultation email alerts on GovDelivery, and was hosted on Shropshire Council's Get Involved consultation and survey pages.

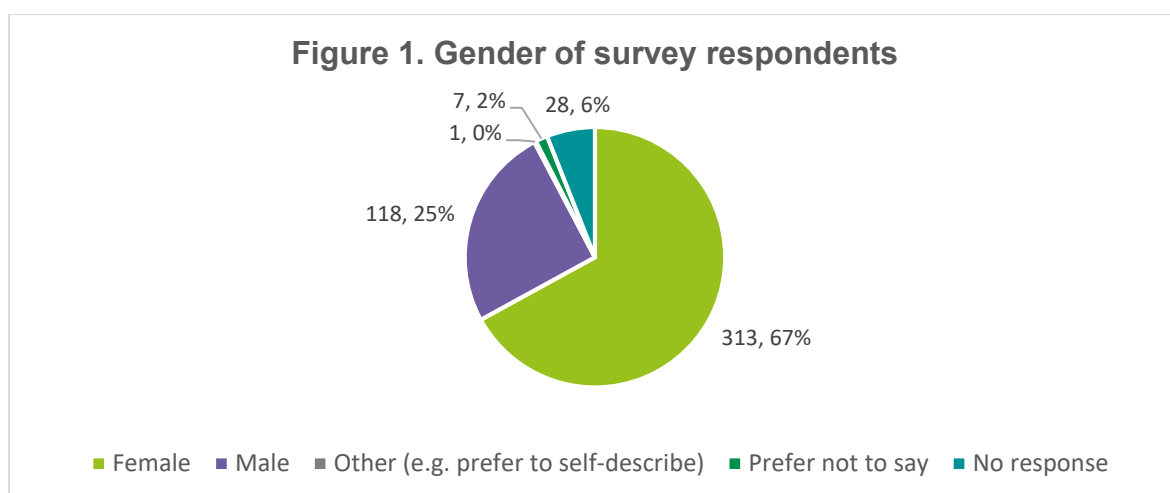
The survey ran from 20<sup>th</sup> January to 10<sup>th</sup> March 2025. Alternative options were offered to encourage as many people as possible to share their feedback. Those unable to complete the online survey were offered email and postal feedback options and alternative versions of the survey were also offered for anyone who may have found standard options difficult to complete (e.g. large text or telephone were offered). An easy read briefing paper, easy read survey and printable survey form were made available in addition to ensure as many people as possible felt able to participate.

The consultation survey resulted in 467 responses. Additional analysis is possible with the data gathered but the main results of the survey are set out within this report under the following sections:

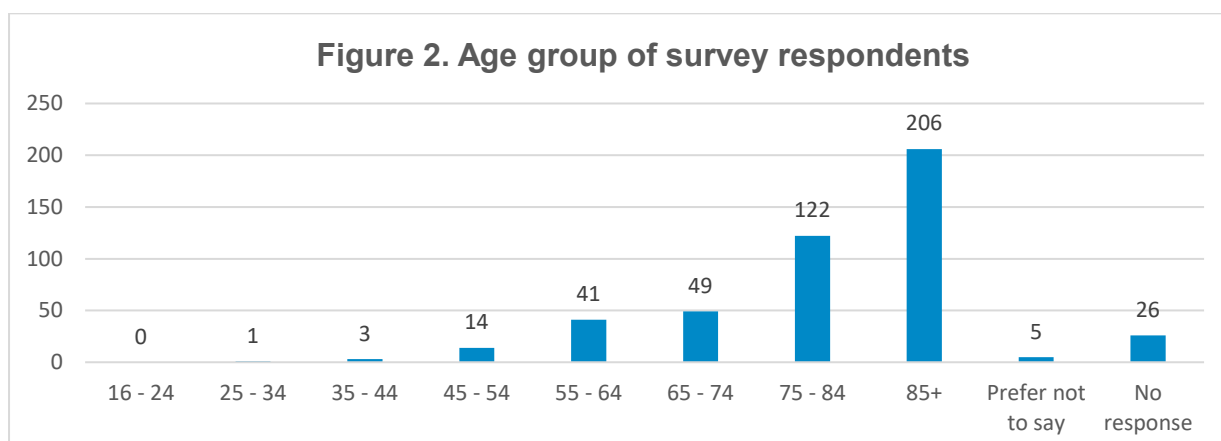
- **Section 1: Background** (this section) provides an overview of the consultation and how it was promoted.
- **Section 2: Respondents** presents the number and types of responses to the survey.
- **Section 3: Current Use of Telecare Services** explores current use of telecare services among the consultation respondents.
- **Section 4: Future Use of Telecare Services** analyses survey results for questions exploring respondents' views on the proposals for changing, and charging for, Telecare services.
- **Section 5: Overall Feedback** covers an overview of positive and negative views on the proposals and any ideas and suggestions.
- **Section 6: Summary and Conclusion** provides a brief summary and conclusion based on the overall analysis of the feedback received.

## 2 Respondents

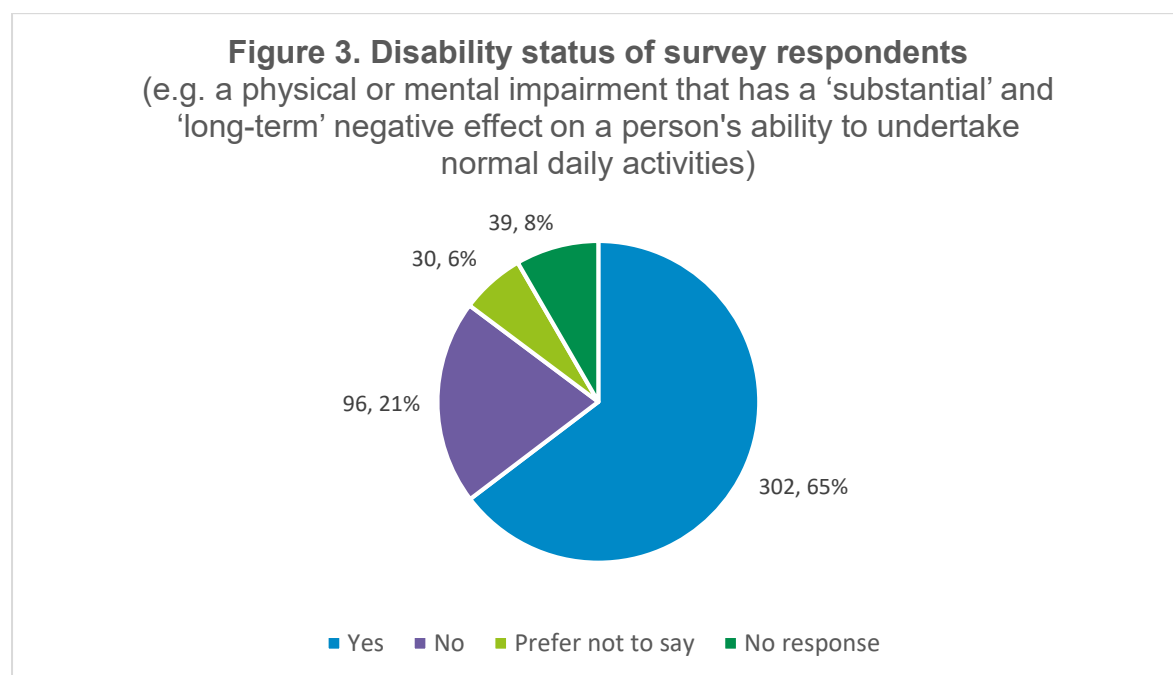
In total 467 people responded to the consultation and a significant proportion of respondents accessed the survey through the postal information sent to existing Telecare service users (91% of all survey responses were postal and 9% were online). To understand the sample of respondents a section was included within the survey to explore respondent characteristics. This can determine whether those responding to a survey are representative of the target audience and whether there are any gaps that need to be addressed. The charts below illustrate the nature of the survey sample. Figure 1 shows that 67% of respondents were female, 25% male, 7% didn't respond or preferred not to say. It is common to see more female respondents than males generally across all surveys (this is a local pattern but also one reported nationally). It is also common to see more female respondents because females will often reply to a survey on behalf of a household, among carers there is a higher proportion of females (as reported in the census) and life expectancy is longer for females within an older age group of survey respondents. Respondents were asked if their gender identify is different to the sex assumed at birth and 85% responded 'no', 1% 'yes', and 14% preferred not to say or didn't respond.



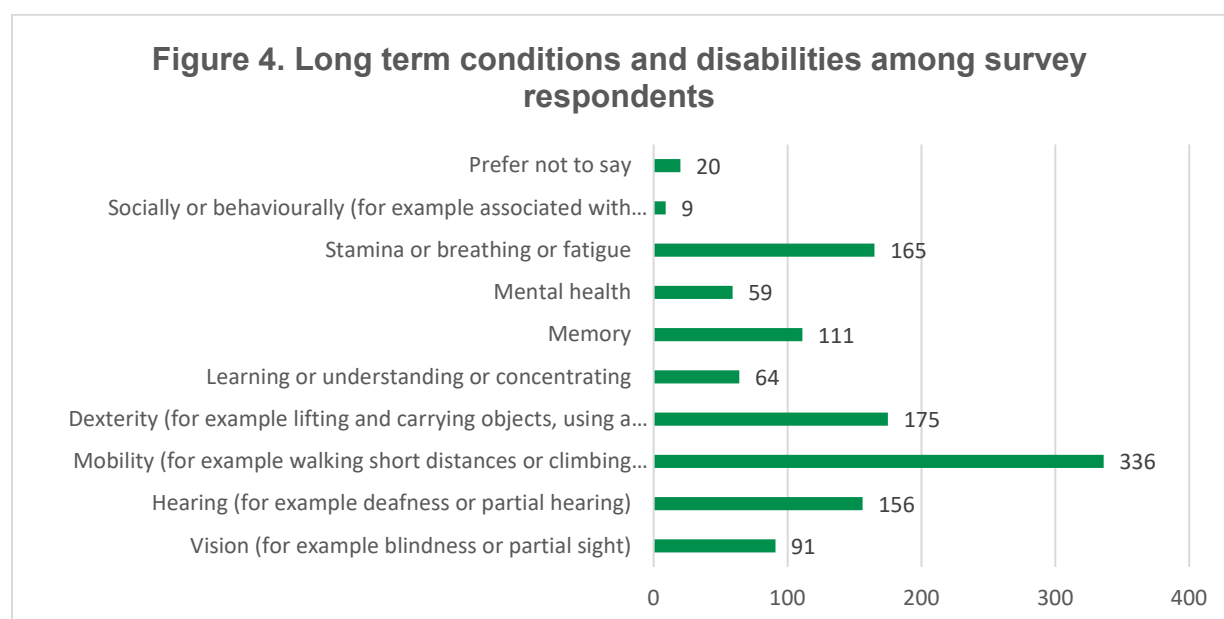
Survey respondents were asked for their age group and the responses are shown in figure 2. As anticipated, there were more responses from the older age groups. 44% of respondents were in the 85+ age group, 26% aged 75-84, 10% aged 65-74 and 9% aged 55-64. In total 90% of respondents are 55 and over, 4% under the age of 55 and 7% preferred not to say or didn't answer the question.



The survey included a few questions on disability due to the nature of the proposals and the importance of understanding whether the consultation had reached the target audience and the potential impact of proposals. Figure 3 shows that 65% of the respondents are disabled, 21% are not and 14% did not answer or preferred not to say. It should be noted that there is more information of relevance later in the report because families, carers and other representatives were encouraged to respond to the survey beyond Telecare users themselves.

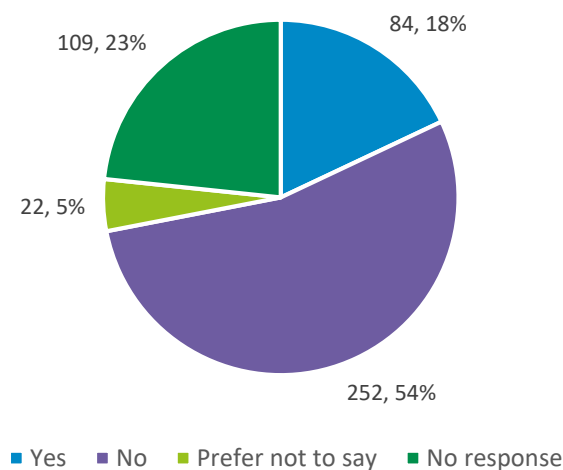


Survey respondents were asked to provide information on the type of impairments they experience. Figure 4 is valuable information for the Telecare consultation. For context, 350 of the 467 survey respondents are telecare users and 246 of the 350 described having a disability. The most common concern was mobility followed by dexterity, stamina/breathing/fatigue and hearing loss. From inputting paper surveys, it was possible to see that many people experience multiple challenges.



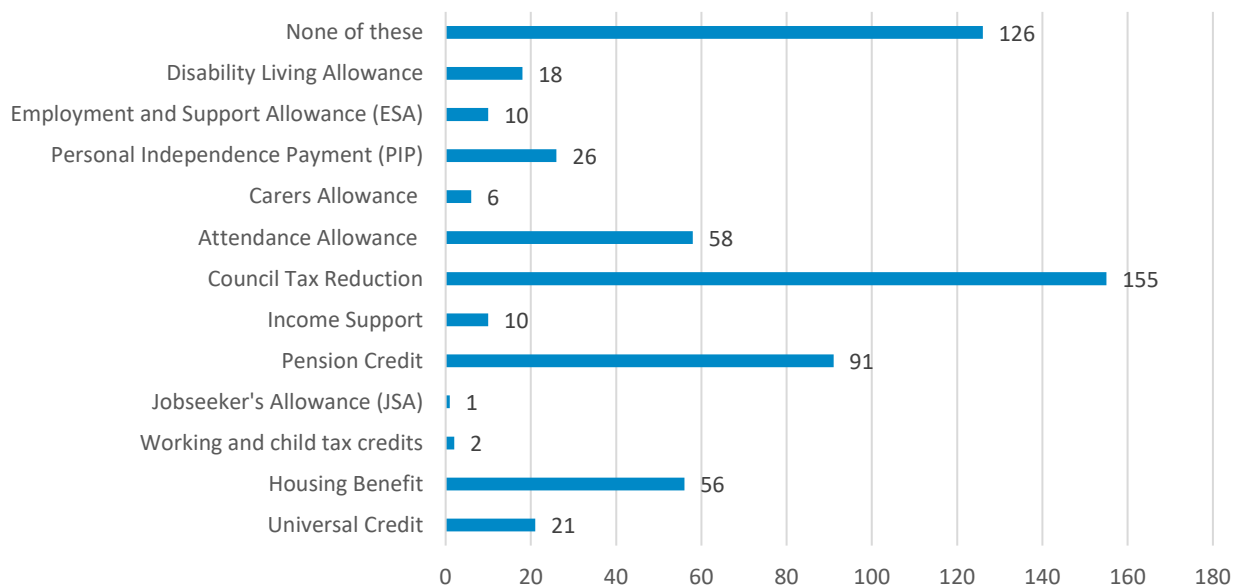
Some of the survey respondents are carers and the information gathered on survey respondents highlighted that although only 42 respondents (9%) responded to the survey in the capacity of a carer of someone accessing telecare services, 84 people (18%) are carers (see Figure 5 below). A proportion did not answer the question or preferred not to say.

**Figure 5. Proportion of survey respondents who are unpaid carers** (someone who spends a significant proportion of their time providing unpaid support to a family member, partner or friend who is ill, frail disabled or has mental health or substance misuse)



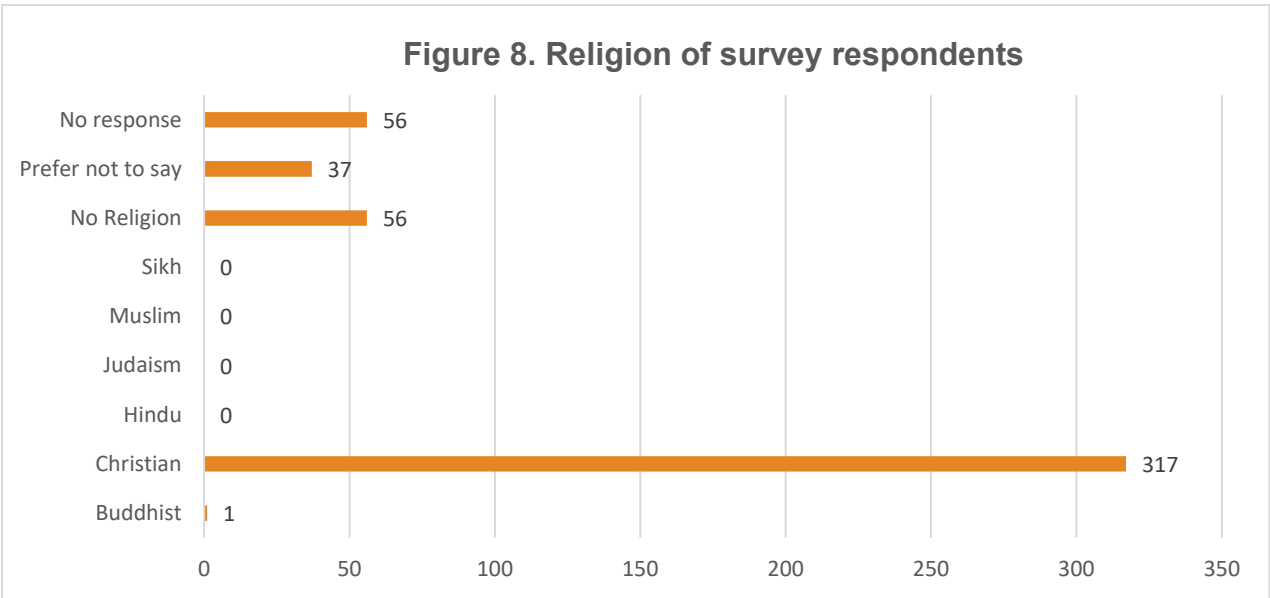
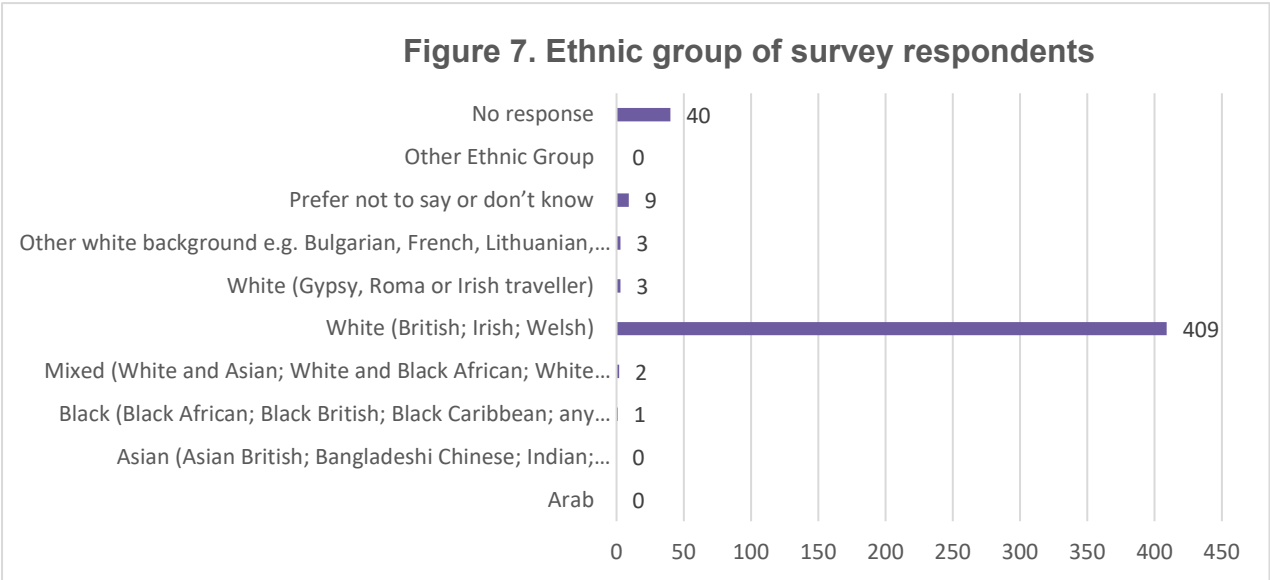
Survey respondents were asked about benefits in order to assess potential affordability of Telecare services. A list of main benefits was provided within the survey and respondents asked to describe any other benefits they receive within an open comment box. The information has all been collated and the responses are shown in Figure 6 below. 126 survey respondents indicated that they do not receive any financial support but there were some respondents who skipped the question.

**Figure 6. Benefit support accessed by survey respondents**



Council tax reduction was the top benefit mentioned by respondents (33% of all respondents, 9% of current service users) followed by Housing Benefit (12% of all respondents, 4% of current service users). Of the 350 telecare users 149 didn't select any benefits or describe any other benefits, suggesting 43% of current telecare users do not receive benefits and 57% do receive one or more benefits and are therefore very likely to be on lower household incomes (and could be more impacted by any charging proposals).

Ethnic group and religion were also included within the survey in order to understand if the sample is representative of the wider community. Figures 7 and 8 display the results below.



The 2021 census highlighted that 96.7% of Shropshire local authority's population are white (greater than the 81% national average) and the results to the survey align with this. 96% of the question respondents selected White British, Irish, Welsh. Only 9 respondents selected ethnic groups other than White British. Similarly, a lack of diversity is demonstrated in the question on religion. 317 of respondents (77% of question respondents) are Christian and 56 (14% of question respondents) have no religion. This is helpful contextual information, but it should be noted that any religious and cultural needs may not be considered in the feedback and results.



A question was included in the survey which read ‘There are nine Protected Characteristic groupings currently defined in the Equality Act 2010. In alphabetical order, these are: Age; Disability; Gender Reassignment; Marriage and Civil Partnership; Pregnancy and Maternity; Religion or Belief; Race; Sex; and Sexual Orientation. Thinking in more detail about these and the proposed service redesign, is there anything you may wish to add?’ This question was split up in the paper survey into 3 questions. Combined there were very few responses to the question itself, but some did respond, and others used the available comment box for other, more general responses.

The table below displays the feedback received in summary format. 111 comments were provided. 33 comments related to one or more of the protected characteristics. 22% of comments were linked to disability and 8% to age. In addition, 26% related to being alone or rurally isolated, 10% to transport access concerns and 5% to internet access concerns. Some example comments on the theme of equality are shown below. The other comments are used later in the report under the relevant sections.

**Table 1 – Comments on equalities and 9 protected characteristics**

| Theme   | Count      | %           |
|---|------------|-------------|
| Live alone/ rurally isolated  | 29         | 26%         |
| Disabilities present challenges (e.g. concerns communicating with responders) | 24         | 22%         |
| Age (e.g. feeling discriminated against due to age)                           | 9          | 8%          |
| Access to services and transport/travel concerns                              | 11         | 10%         |
| Access to internet concerns   | 5          | 5%          |
| Importance of Telecare service  | 7          | 6%          |
| Comments with more general dissatisfaction                                    | 15         | 14%         |
| Negative comments about the question itself                                   | 2          | 2%          |
| Other   | 9          | 8%          |
| <b>Totals</b>   | <b>111</b> | <b>100%</b> |

#### **Example comments – equality considerations**

- *“Loneliness, especially in Winter months.”*
- *“Live in rural location which brings all the usual problems and difficulties.”*
- *“My home is isolated and along a farm track. It would be by chance if people heard me if I fell. Rural Isolation is a huge problem now I have become disabled.”*
- *“I live rurally with very poor signal service. I’m on a low income, live in a rural village 3 miles from the nearest amenities.”*
- *“Living in isolated area, alarm is essential.”*
- *“I live in a remote location, so the service is essential to me.”*
- *“I live alone, husband in nursing home. I have osteoporosis and history of falls.”*
- *“Profoundly deaf. I live alone and need to be able to summon assistance if required Telecare is vital part of me being able to continue to live independently and or my peace of mind and general mental health.”*
- *“My balance is very bad, I use crutches. I am 78 years old, I live alone in a very rural area few houses around, and everyone is elderly.”*
- *“Old age brings with it additional costs such as all the aspects of garden maintenance, minor items of property maintenance and repair, transport These are often overlooked or ignored but can amount to a considerable amount during the year.”*
- *“I am 90+ years blind veteran, disabled, deaf with several disabilities.”*
- *“Blue badge holder. People with a disability would be negatively impacted by having to pay for this service. Age discrimination for pensioners who need this service. No consideration for*

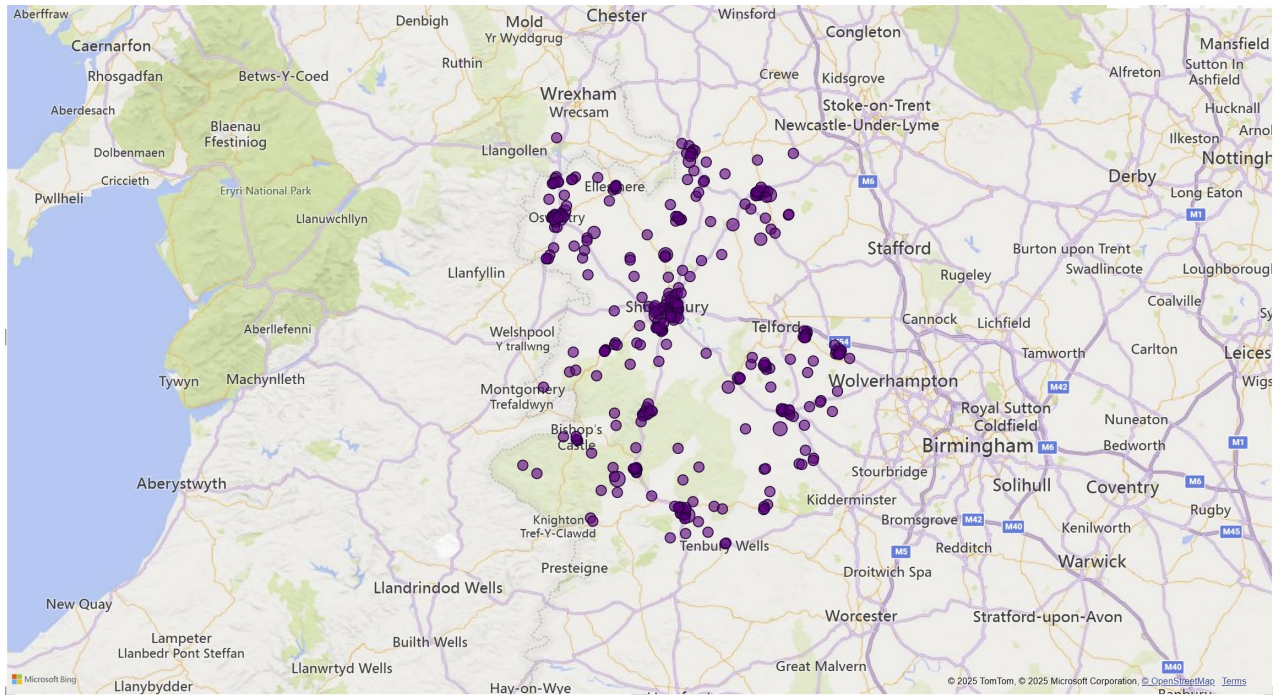


*those living alone particularly in times of illness.”*

- *“Struggle to get to GPs, hospital appointments as no longer driving.”*

Many of the comments relate to home locations being very isolated and rural. The postcode of respondents was requested. Not all completed this question, but Map 1 provides the information gathered to show the approximate location of survey respondents.

### Map 1 Approximate location of survey respondents



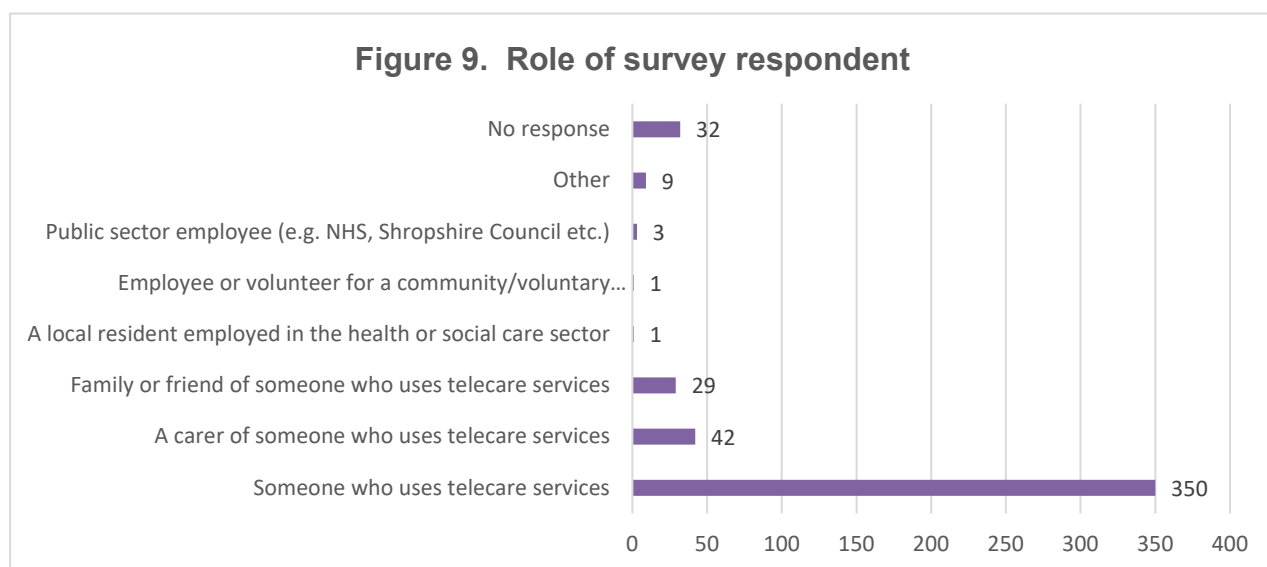
Map 1 shows that respondents were located throughout Shropshire local authority area with smaller numbers located just over the county borders. The map does highlight the rural locations of some respondents with concentrations within the later settlements as would be expected. It is encouraging to see that the county is well represented without any significant geographical gaps in representation.

The next section of the report explores the feedback obtained when survey respondents were asked about their current use of telecare services.

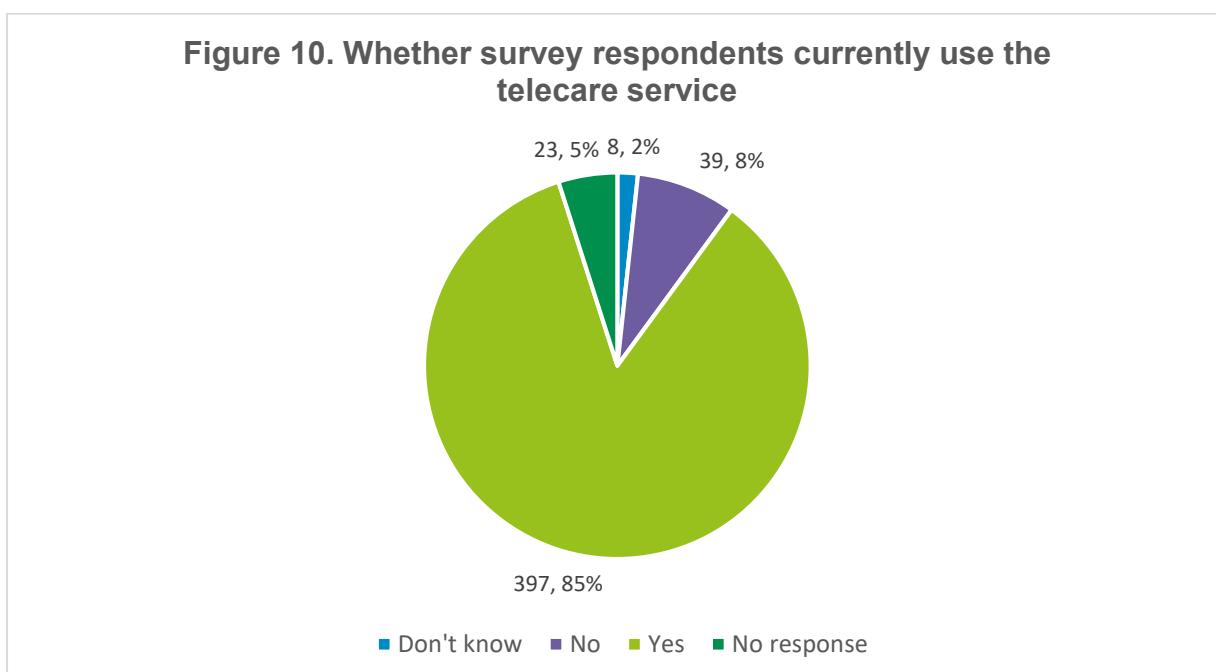


### 3 Current Use of Telecare Services

The 467 consultation respondents reported a variety of different roles in relation to the Telecare charging consultation. 75% of respondents are users of current Telecare services, 9% are carers of service users, 6% are family members or friends and 1% (5 respondents) have a professional interest in the proposals. Responses from organisations were more limited than expected given the connections to the wider health and social care system. 9 respondents set out other roles and these included members of the public, and people who have telecare equipment at home but do not use the service for a variety of reasons. Figure 9 below sets out the response.



A secondary question was used to confirm the data. The question read 'Do you currently use the telecare service?'. 397 people said 'yes', more than the 350 in the previous question (39% responded 'no', others don't know or did not respond to the question).



36 people added a comment about their use of the telecare service. A summary response is shown in Table 2. Most commented that they have the equipment but haven't needed to call the response centre to organise a response (44%). 25% use and value the service. A few example comments are shown below:

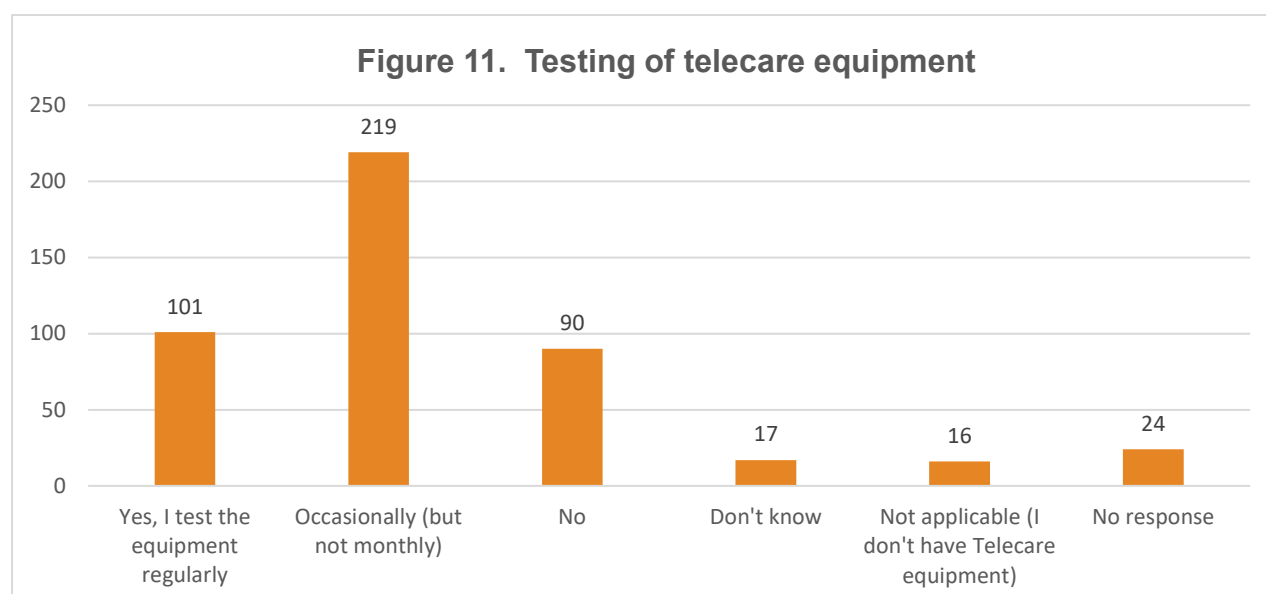
**Table 2 Use of the telecare service**

| Theme                                     | Count     | %           |
|---|-----------|-------------|
| Not yet needed to use it                  | 16        | 44%         |
| Have used the service / service is valued | 9         | 25%         |
| Family member uses the service            | 6         | 17%         |
| Don't want / need the service             | 1         | 3%          |
| Other                                     | 4         | 11%         |
| <b>Total</b>                              | <b>36</b> | <b>100%</b> |

### Example comments – Use of the telecare service

- *"Have not used it since it was installed."*
- *"Only to test."*
- *"I have it but haven't needed to use it yet."*
- *"I haven't used it only accidental touching of equipment."*
- *"We have it in place in readiness and have not used it in more than 12 months."*
- *"I have not requested any help so far."*
- *"It is there if I need it."*
- *"My Mum uses the service."*
- *"I have had quite a few falls and as I am in my 90s it's been invaluable."*
- *"Telecare needed after having a stroke and the risk of falling but cannot communicate over the phone due to speech."*

The next question about current use of telecare equipment asked users whether they have remembered to test their equipment by pressing the trigger button. A reminder was included that this should be carried out monthly. The response is shown in Figure 11.



50 survey respondents added a comment about testing. The comments are summarized in table 3 with examples also provided.

**Table 3 Testing of telecare equipment**

| Theme   | Count     | %           |
|---|-----------|-------------|
| I was unaware I needed to test monthly / not told I needed to do this | 31        | 62%         |
| Carers / family do this for me  | 7         | 14%         |
| System is sensitive / has been accidentally activated                 | 3         | 6%          |
| It is tested infrequently   | 5         | 10%         |
| Don't know / Other  | 4         | 8%          |
| <b>Total</b>  | <b>50</b> | <b>100%</b> |

**Example comments – testing equipment**

- *"I did not realise I should test that often, but I will try from now on."*
- *"Did not realise I was supposed to. Will now do so on a regular basis."*
- *"Will do so in the future."*
- *"Didn't know this was a requirement - not informed."*
- *"I didn't know until today that I had to."*
- *"I didn't realise I should test it. I'm a bit afraid to touch it."*
- *"Suspect not but will ask for it to be done in future."*
- *"Thank you for this reminder to test monthly."*
- *"It is easily alerted if the tablet is banged which is quite often."*
- *"Any time there is a power cut."*
- *"Several accidental triggers proves system works."*
- *"Son tests system but not monthly."*
- *"User has dementia and has to be prompted to test equipment."*
- *"I believe the care company tests this."*
- *"My carers test it."*
- *"Carer tests it every Friday."*

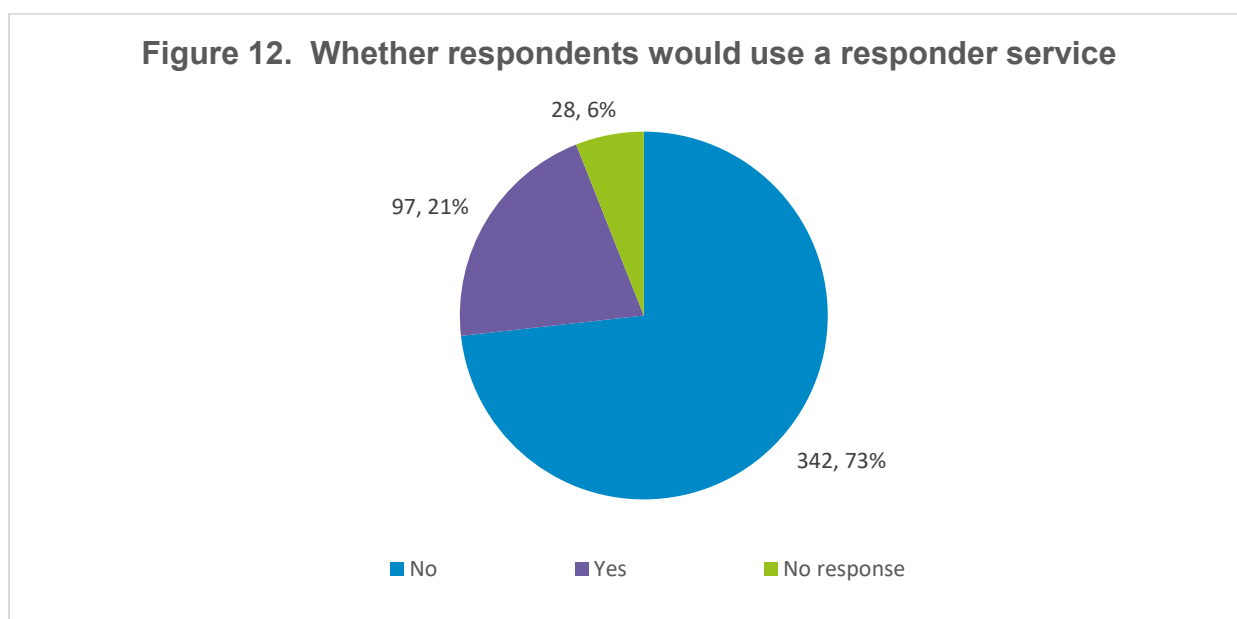
The next section of the report considers the consultation proposals and future use of telecare services.



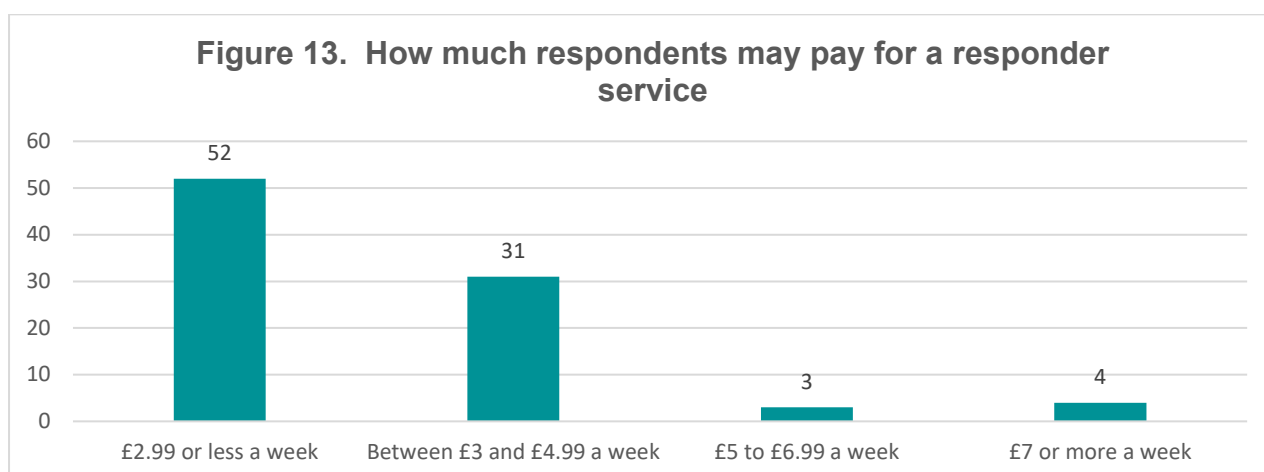


## 4 Future Use of Telecare Services

All respondents to the consultation were asked for their views on the telecare charging proposals and the future of telecare services in Shropshire. Questions were included within the survey to obtain views on key features of the proposals. The first question sought to obtain feedback on whether respondents would use a responder service if introduced by Shropshire Council. The question read 'Some local authorities offer a Responder service. Trained staff, called responders, can visit your home to provide practical, emotional, planned, or emergency support to minimise risks and promote independence. Would you be interested in this service?' The response to the question is shown below in Figure 12.



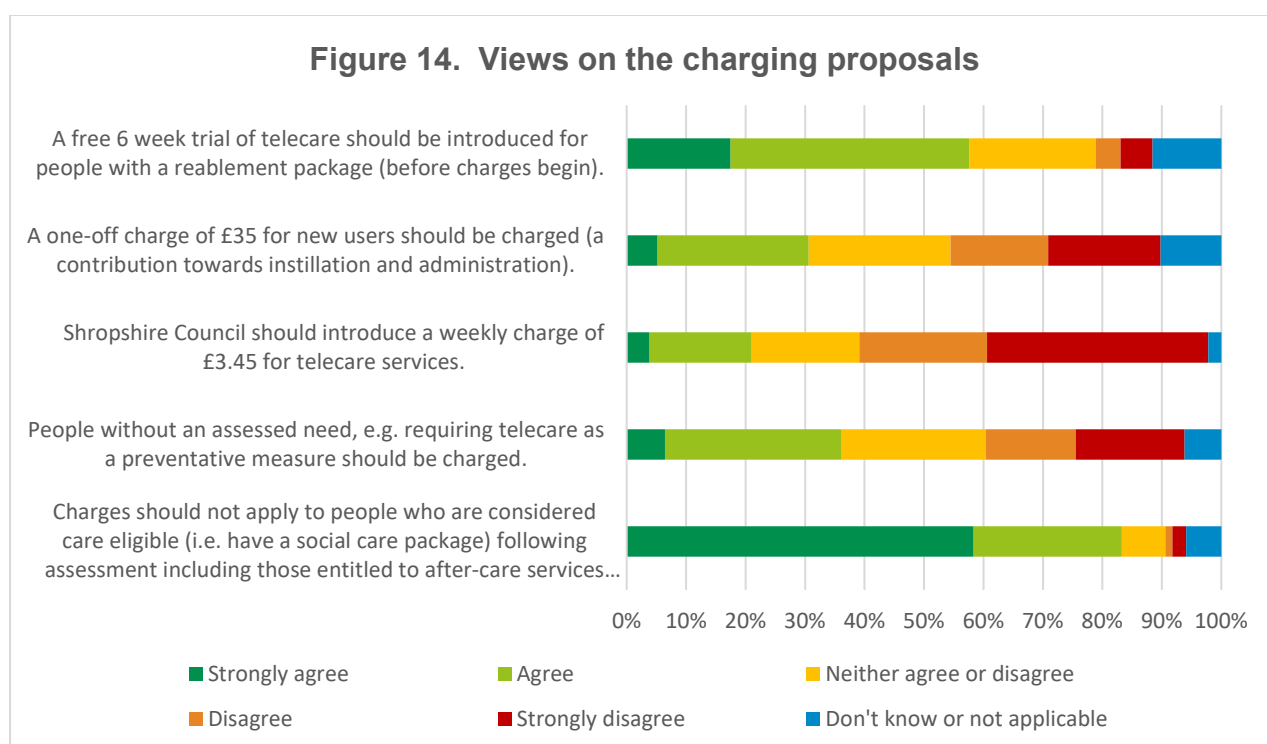
A majority of respondents indicated that they would not be interested in use of a responder service if introduced locally (342 people, 73%). 90 of the 97 people who may be interested in such a service were asked how much they would be willing to pay. The results are shown in Figure 13 below. Of those who may be interested in the service most would be willing to pay £2.99 or less a week (58%), followed by between £3 and £4.99 (34%). Only 7% would consider paying £5 a week or more.



Survey respondents were asked to provide a view on 5 key statements:

- Charges should not apply to people who are considered care eligible (i.e. have a social care package) following assessment including those entitled to after-care services provided under Section 117 of the Mental Health Act.
- People without an assessed need, e.g. requiring telecare as a preventative measure should be charged.
- Shropshire Council should introduce a weekly charge of £3.45 for telecare services.
- A one-off charge of £35 for new users should be charged (a contribution towards installation and administration).
- A free 6-week trial of telecare should be introduced for people with a reablement package (before charges begin).

Figure 14 displays the response and shows that most people agree or strongly agree that charges should not apply to people who are considered care eligible (76% of all respondents). There is also a lot of support for a free 6-week trial for those with a reablement package (48% agree or strongly agree). The majority disagree or strongly disagree that Shropshire Council should introduce a weekly charge of £3.45 for telecare services (52% of all respondents). There are more mixed views for the other proposals. For the proposal that people without an assessed need should be charged, 31% agree/strongly agree and 29% disagree/strongly disagree. When asked if a one-off charge of £35 for new users should be introduced, 26% agree/strongly agree and 30% disagree/strongly disagree.



An open comment box was added to allow respondents to add any views and 162 comments were provided. Table 4 below summarizes the themes from all the responses provided (some comments included multiple themes). 19% provided positive comments about the value and importance of the service, 16% express views that they cannot afford to pay, 13% comment that the service should remain free to all and 10% suggest the service should be free to the most vulnerable. Example comments are used to illustrate the feedback further.

**Table 4 Comments on the responder service proposal and charging**

| Theme   | Count      | %           |
|---|------------|-------------|
| The proposed amount is too much/ should be less   | 15         | 8%          |
| The service should be free to all users   | 25         | 13%         |
| The service should be free to the most vulnerable (e.g. disabled, living alone, frail etc.) | 20         | 10%         |
| Users lives will be put at risk if they will cancel the service                             | 9          | 5%          |
| Users will stop using the service due to costs  | 10         | 5%          |
| Charges should be based on individual circumstances/ means tested                           | 16         | 8%          |
| I cannot afford to pay the charge/ limited income   | 31         | 16%         |
| The system is valued and appreciated/ provides peace of mind                                | 37         | 19%         |
| Increased pressure on other public services/ preventative service                           | 17         | 9%          |
| Other   | 15         | 8%          |
| <b>Total</b>  | <b>195</b> | <b>100%</b> |

**Example comments – Views on charging for telecare**

- *"We are very grateful for this reassuring service. When used, the staff have been excellent. The Engineers have also been superb and any new equipment/updates/repairs etc. have been undertaken efficiently and professionally."*
- *"I strongly disagree to anyone having to pay for this service as already a lot of people don't have it due to price or knowledge and the people who do are those in need and it is a must not a choice."*
- *"Old and vulnerable people seem to be the target of recovering cash lately. With the government now basically means testing the winter fuel payments, the state pension now exceeding the personal tax allowance meaning some pensioners are now paying income tax, pensioners are losing cash and becoming worse off."*
- *"I understand that costs of services are going up for everything, but I think pensions are already suffering this service should be free to us."*
- *"I would be interested in the service it is was free."*
- *"This is bringing a lot of reassurance for me when on my own but financially I cannot afford to pay."*
- *"£35 could be a barrier to a lot of people. Need more information regarding what a reablement package is/does."*
- *"These answers are based on thoughts of an elderly lady living independently. With the one-off charge of £35 it does seem acceptable, but the suggestion of a contribution leaves the charge very open to large increases."*
- *"I think £1 or £1.50 a week as £2 is £104 a year and a lot out of one pension."*
- *"A weekly charge of £3.45 is a lot from a pension. Suggest a nominal charge of £10 per month would be more appropriate."*
- *"Where there is a preventative need such a high charge seems to be out of proportion."*
- *"I think this should be part of the means tested benefits. Those who can afford it should help pay for the service. If, however there is a question re whether the service can continue without income then maybe the charge be levied accordingly depending on the income."*
- *"The one-off charge should be means tested. The 6-week trial - the telecare might not even be required within this time frame depending on the nature/situation of the resident so this 6 weeks administration cost could be saved by removing this option. A person could go months or even a year before needed to use telecare and because they haven't used it in 6 weeks might feel there is no need to have it whereas in fact telecare is a very useful and essential service for our elderly population and helps them feel more secure in living independently."*
- *"Social care needs to be capped at 50-60% of overall budget to be fair to those who do not*

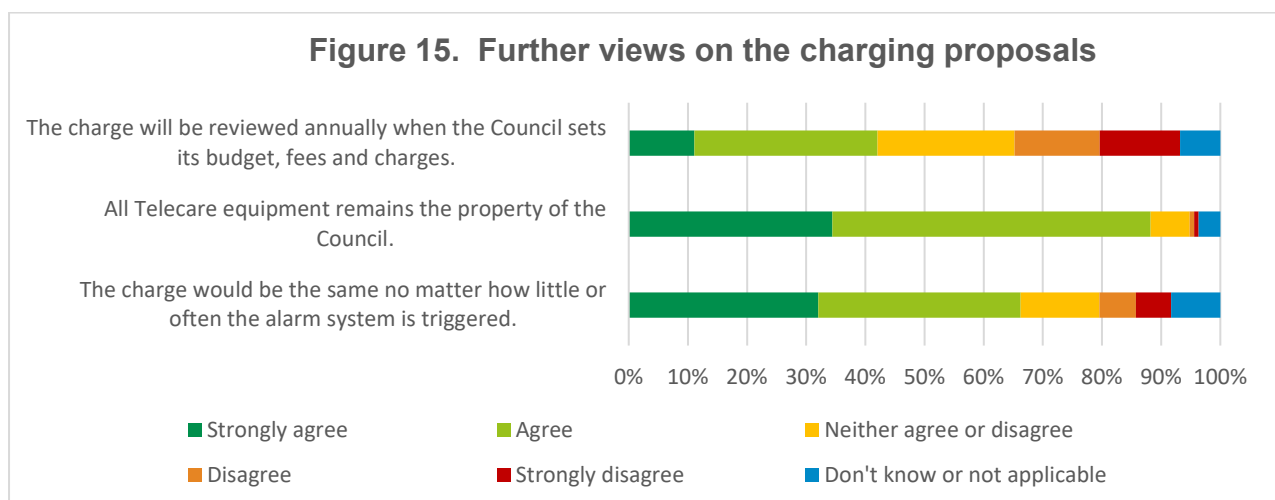
use social care. We will all end up classed as "vulnerable" at the rate the council is cutting services as the expense of vulnerable people."

- "While a few pounds a week may be affordable for some the setup fee is too much. Is that payable before the 'free' trial? If so, is it refunded if the service is refused?"
- "If I was charged, I would not want to keep the telecare. It is currently there for emergencies."
- "This system has saved my life on 5 occasions. If I can't afford this what do I do?"
- "This service could save an ambulance being sent out multiple times surely it should be a free service."
- "Telecare services are potentially life-saving so should not come with a charge."
- "If people are elderly and have opted to live in assisted living accommodation, their safety depends on this service and they should not be charged. With staffing/manager hours drastically reduced it is an essential lifesaving service."
- "I would like to see a further exemption for all those telecare users with an unpaid carer registered with Shropshire Carers Team. These are Shropshire residents already saving the Council significant sums of money, whilst many telecare users are relying on the service because their families/friends and those who might be sharing the overall care burden have decided to move away from Shropshire leaving their vulnerable elderly relatives as a 'care burden' on the rest of the Council tax payers. There are currently 3,000 unpaid carers registered with Shropshire Council's care team but a further estimated 27,000 could come forward with this kind of money-saving incentive."
- "As a non-statutory service it should be fully charged for."

The example comments illustrate the concerns among respondents. A smaller proportion accept some charges but many of the comments are focused on views that the service is preventative and so valuable to individuals and the wider healthcare system that it should be free. Some of the respondents highlight that if charges are introduced, they will need to reconsider use of telecare equipment. To understand views further, respondents were asked to give a view for three statements set out within the charging proposals:

- The charge would be the same no matter how little or often the alarm system is triggered.
- All Telecare equipment remains the property of the Council.
- The charge will be reviewed annually when the Council sets its budget, fees and charges.

Figure 15 displays the results and shows that the survey respondents are happy for the equipment to remain the property of the council.

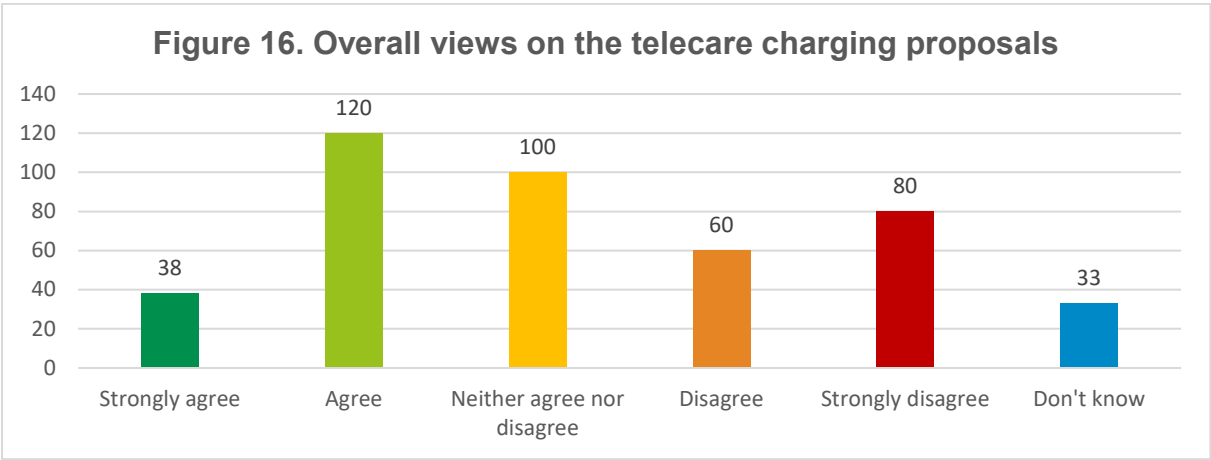


60% agree or strongly agree that the charge should be the same no matter how little or

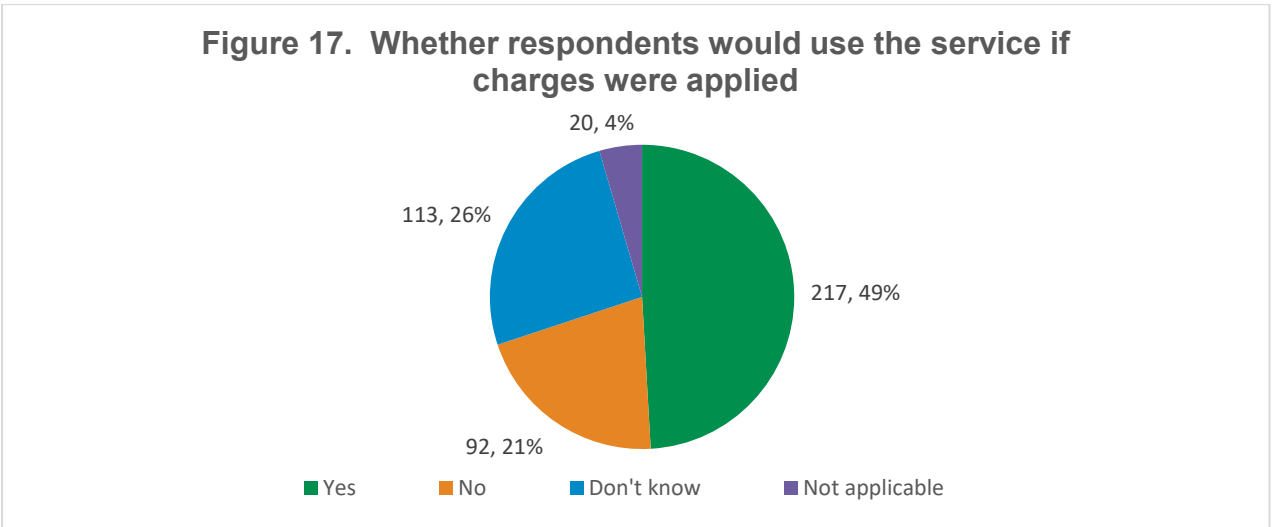


often the alarm system is triggered (11% disagree or strongly disagree and others don't have a view). The element of the proposal with more mixed views relates to whether the charge should be reviewed annually when the Council sets its budget, fees and charges. 36% agree or strongly agree that would be appropriate whilst 24% disagree or strongly disagree. A few of the respondents commented that they were concerned that costs would rise on each review.

The survey also included an overall question to assess views, in addition to the statements for each element of proposal. The question read 'Shropshire Council's current proposal is based on evidence from other local authority areas where charges are made for telecare. The proposal considers needs and ability to pay (i.e. excluding people with a social care package). To what extent do you agree or disagree with this proposal?' Figure 16 displays the response.



Overall 34% agree or strongly agree with the telecare charging proposals overall, 21% don't have an opinion (some made comments at the side of their surveys to say they required more information or were unclear of the impact of charging) and 30% disagree or strongly disagree (7% don't know and 8% didn't answer the question). All respondents were also asked if they would use the service if charges were applied. Figure 17 displays the results. 49% would continue use, 21% wouldn't and others don't know, or the question wasn't applicable.



The next section of the report looks more closely at the comments and wider feedback.

## 5 Overall Feedback

The previous section of the report focused on some of the specific charging proposals set out within the consultation and sought to understand where there is support or where concerns exist for those proposals using predominantly multiple choice and check box survey questions. The survey was also designed to capture comments and the more nuanced feedback possible from qualitative data collection. The responses to 4 main questions are covered within this section of the report, these questions focused on anything respondents like about the charging proposals, anything respondents don't like or are concerned about, alternative suggestions and any ideas for service improvements.

When asked for comments on anything that respondents like about the charging proposals there were 157 responses (a few covered multiple themes). Each comment has been considered and categorized to highlight the themes present within the responses. Table 5 displays the results. As the table highlights, 91 of the 164 responses (55%) highlight that they do not like anything about the telecare charging proposals (a significant number simply responded "No"). 11 respondents (7%) highlighted that the service should be free of any charges.

There were 62 other comments, some were positive, but many were neutral. Other respondents highlighted the value/importance of the service (17 comments, 10%), that the charges seem fair (14 comments, 9%), and that charges should be based on means testing/ability to pay (13 comments 8%). In addition, Example comments help to illustrate the responses further.

**Table 5 What survey respondents like about the proposals**

| Theme   | Count      | %           |
|---|------------|-------------|
| No/ Nothing   | 91         | 55%         |
| Proposed charges for the system seem fair                         | 14         | 9%          |
| Charging will ensure Telecare service is still available          | 10         | 6%          |
| Assess the need of users for the Telecare service                 | 5          | 3%          |
| Telecare should be free of charge for users                       | 11         | 7%          |
| Telecare is a valued service / provides reassurance and safety    | 17         | 10%         |
| Telecare should be means tested / charges based on ability to pay | 13         | 8%          |
| Other   | 3          | 2%          |
| <b>Total</b>  | <b>164</b> | <b>100%</b> |

### Example comments – What people like about the proposals

#### Nothing/ disagree with the proposals

- *"I strongly disagree with this proposal."*
- *"I do not agree that we should be charged."*
- *"Many users may cancel their equipment if charges are introduced, causing problems and lack of confidence and possibly damage to their independence and safety."*
- *"No - The cost of being disabled or vulnerable is considerable anyway."*
- *"No, I know its hard times, but this is a great service and don't think people who already use it should have to pay."*
- *"No, it's awful. If the council managed their finances the elderly, the sick, vulnerable would have all the help they need. We are already paying for the Wi-Fi I don't need it for anything"*

else.”

- “It seems unfair that I will be charged for ensuring my safety.”
- “Seems a reassuring service a lot of people rely on is yet another fundraising thing to address councils budget problems. It would be interesting to know how much charging for this will raise for the council?”

### Other comments and support for the proposal

- “The service is excellent so if the payment allows the service to continue or expand then that is good.”
- “If it ensures a more efficient service, it would be a good thing.”
- “If people have sufficient income then fine, but don't set the bar stupidly low.”
- “Makes it fair for everyone and payment is reasonable, as private companies charge more.”
- “If the charge helps to keep telecare running efficiently 24/7 then I agree with the charge as it is a useful and possibly lifesaving service.”
- “Yes, it's not going to be done away with altogether so must be kept as it is a lifeline for many. I know cost comes into everything.”
- “It recovers costs for non-statutory services which the council taxpayer should not be funding.”
- “It would be great if the care line could be extended beyond one's house and garden. I would be willing to pay if that were so.”
- “I understand the need to charge but being someone who was assessed as needing social care but was unable to afford the weekly sum they wanted me to pay will be unable to access any help in an emergency!”
- “I feel that it is very fair that we should contribute to the service. To me it is very important contact to have knowing that help is at hand if needed.”

There were 214 comments when asked ‘Is there anything you dislike about the proposal? Please explain any concerns you may have including any negative impact the proposal could have.’ Table 6 displays the results. Some comments covered multiple themes. There were a number of key themes within the comments made. 20% disagree with charging for the telecare service generally and 14% disagree with charging due to the service's preventative nature. 14% are concerned about affordability and 17% discuss that the charge will add to existing financial pressures for users of the service. The example comments shown on the next page further illustrate the feedback received.

**Table 6 What survey respondents dislike about the proposals**

| Theme  | Count      | %           |
|--|------------|-------------|
| Disagree with charging for the system/ It should be free                       | 48         | 20%         |
| Disagree with charging for a system that is an essential/ preventative service | 34         | 14%         |
| Will not be able to afford to pay for the service                              | 35         | 14%         |
| Will put additional pressure on limited budgets                                | 41         | 17%         |
| Potential impact on health and wellbeing if remove the free service            | 21         | 9%          |
| No choice/ will have to pay for Telecare                                       | 13         | 5%          |
| Service needs to be improved   | 4          | 2%          |
| Positive comments about the Telecare service                                   | 29         | 12%         |
| Negative comments about Shropshire Council/ financial management               | 14         | 6%          |
| Other  | 7          | 3%          |
| <b>Total</b>   | <b>246</b> | <b>100%</b> |

## Example comments – What people dislike about the proposals

- *"I am in no position to pay anything. I have a social care package in place."*
- *"I am concerned about having to pay for the services that I already receive for free."*
- *"£3.45 a week on the face of it doesn't seem a lot however, that's £13.80 per month or £179.40 a year! doesn't sound so cheap now does it."*
- *"I feel it's concerning that my 89 year old father has been given this equipment free of charge following a fall and now you are considering charging him for this vital emergency lifeline. I feel the equipment is appropriate to his care needs and therefore should remain FOC. He has had 2 falls since and this has given him and his wife the confidence that he will be helped when in need."*
- *"I would be concerned that some people may opt out yet still require this service. My mum is on a pension."*
- *"Would have no choice to keep telecare as mobility poor and have had several falls in the past. Believe it should be means tested if charges apply and people receiving pension credit should be exempt from charges."*
- *"I was given this for protection from falls and no one knowing. Doctors arranged it. It makes me feel safe. I can't afford to pay for it. Perhaps you should put me in a home."*
- *"An eternal state of financial embarrassment leaves us in despair and the prospect of paying for another service fills us with dread. Surely the aim to provide safety for individuals and also reduce unnecessary hospitalizations by having a falls team etc. assist."*
- *"As this service could be the difference in life or death when someone is in need of help. I don't think this should be charged."*
- *"I've had Parkinson's for 25 years. I have had frequent sudden falls in the past few years. I am very grateful for this service."*
- *"I feel this is a lifeline service and should not be charged for. People that use the service are on fixed incomes and money is very tight."*
- *"I have no choice as I am 24/7 bed bound."*
- *"To bring in a cost for a service that was insisted upon to enable hospital discharge seems counterintuitive."*
- *"I feel that in the long run it will save money for me to have one so if I need help, I can press the button. If I don't have it, I may cause more trouble and money."*
- *"My concerns are for those in greatest need and with the lowest ability to pay - they must not be left without a telecare package: it is essential and not a 'luxury'. Sadly, purely on an economic basis, the cost of not doing so is likely to be higher for the NHS and Shropshire Council and be reflected in hospital admissions and greater social care needs in the shorter and longer term."*
- *"Should be a free service as this reduces the number of ambulance call outs and hospital visits."*
- *"I rely on the telecare for peace of mind knowing that if I fall, I can contact others. I cannot afford to pay for this service so would have to do without."*
- *"As a preventative measure it is valuable. I don't actually use it at the moment but accept that it must save the council and the NHS money in the long run. But people in need of it may opt out. Make it free to those over 85?"*
- *"People in need not using the service due to price. Result could be someone in need not accessing help when needed."*

A quantitative question was included within the survey which asked for views on the likely impact of the telecare charging proposals. It was very clear from the responses to the survey that many people misunderstood the question. Many respondents expressed their fear and concerns within a written comment and then suggested the proposal would have a positive impact on them. Had confusion arisen among only a few respondents then the results would have been shared but given the very high numbers of contradictory responses this question has been omitted from the report. Another reason for the

decision not to include the question links to the fact that many individuals gave a view on organizational impact when they were not responding as an organisation. There were very few responses from representatives of organisations within the survey sample so the assessment of impact on individuals, families and local organisations has not been possible. It is recommended that this is noted and considered by decision makers prior to any decisions and next steps.

The question on impact did include an 'other' comment box and these comments are helpful and can be used. Table 7 displays the results. 75 survey respondents commented on impact and as the table highlights. A few covered more than one theme in their comment. Most comments described negative impacts with only 4 comments (5%) setting out that a positive impact of charging would be allowing the service to continue. The negative impacts described included financial impact and affordability, needing to end the service due to costs, impact on personal safety and wellbeing.

**Table 7 Potential impact of the proposals**

| Theme   | Count     | %           |
|---|-----------|-------------|
| Negative impact - financial impact on limited household budgets     | 19        | 23%         |
| Negative Impact - Unable to afford the service                      | 6         | 7%          |
| Negative impact - Will cancel the service                           | 10        | 12%         |
| Negative impact - Impact on personal safety e.g. risk of falls      | 15        | 18%         |
| Negative impact - Impact on wellbeing/ removal of reassurance       | 18        | 22%         |
| Neutral impact - Affordable charge/ agree with the proposed charges | 5         | 6%          |
| Positive impact - Continuation of a valued service                  | 4         | 5%          |
| Negative comments about Shropshire Council/ financial management    | 3         | 4%          |
| Other   | 3         | 4%          |
| <b>Total</b>  | <b>83</b> | <b>100%</b> |

### Example comments – Potential impact of the proposals

- *"This would impact carers. My anxiety would be worse."*
- *"Very worrying for me to be without."*
- *"The Telecare service provides peace of mind both to me and my family. the impact will be huge."*
- *"Financial impact as stated. Almost guaranteed you will increase charges every year."*
- *"It would make my Mother reconsider her alarm and if she rejected it that would put more pressure on me to check in on her several times a day. This has a negative impact on my life health and family."*
- *"We cannot afford this service so would therefore have to forfeit it. My mother has a significant falls history and needs help each time she does fall."*
- *"I am elderly and live alone, this service reassures me and my family as I can get help if required by pressing the button. It helps me remain independent in my home."*
- *"At the moment my wife can leave me to go shopping. Knowing I can summon help if needed means she can go out without worrying. Luckily, I have not needed to summon help but as my condition is progressive, I have to be forward thinking. We are pensioners already struggling with winter fuel bills. We will have no choice but to stop this service should you ask us to pay."*
- *"I could be in danger without it. I have falls and cannot get up on my own due to my disability."*
- *"I would feel isolated."*
- *"As a worker who arranges Telecare, I feel there may be some clients who wish to complain to me. I feel the guidance on eligibility should be very clear so that it can be applied"*

*consistently and fairly. I have no issues with the Council making a charge for the Telecare equipment and service - it is no different to paying for any other service we choose to use, but I feel as I said above that eligibility needs to be clear e.g. those on certain benefits, or with life limiting conditions for example should not have to pay."*

- *"I work in Public Health and I am concerned re retaining the highest level of service for those who are most vulnerable (including economically), in Shropshire."*
- *"The use of telecare should be expanding, not reducing; look at the wider socio-economic and care benefits that come from early intervention provided by this service."*
- *"Viewing the financial state of the council I think it is reasonable."*
- *"I can afford this without serious problems. Is that what you mean?"*

The next question within the survey read 'Do you have any alternative suggestions that could be introduced to raise income and cover the costs of the service other than the proposal outlined?' There were 94 alternative suggestions made and some comments covered multiple themes. Table 8 summarizes the feedback provided. 27 comments (26%) related to concerns that Shropshire Council's financial management is not effective enough and should be improved to prevent decisions like this impacted on people who are vulnerable and in need of telecare services. 13% of the comments suggest means testing; 13% suggest raising income or making cuts elsewhere, and 13% repeat requests highlighted in previous responses to ensure the service remains free of charge. The example comments better help to show the type of comments made by the survey respondents.

**Table 8 Alternative suggestions**

| Theme   | Count      | %           |
|---|------------|-------------|
| Increase council tax to pay for the service                         | 5          | 5%          |
| Charge for other services/ Reduce other services within the council | 14         | 13%         |
| Reduce staffing/ salaries and staff benefits in the Council         | 5          | 5%          |
| Improved management of Shropshire Council/ financial efficiencies   | 27         | 26%         |
| Grants/ lottery funding/ charitable donations                       | 4          | 4%          |
| Means tested charging/ charge what people can afford                | 13         | 13%         |
| Keep it as it is/ Free service                                      | 13         | 13%         |
| Initial/ Installation charge  | 5          | 5%          |
| Charge for the service as per the proposals                         | 2          | 2%          |
| Other   | 16         | 15%         |
| <b>Total</b>  | <b>104</b> | <b>100%</b> |

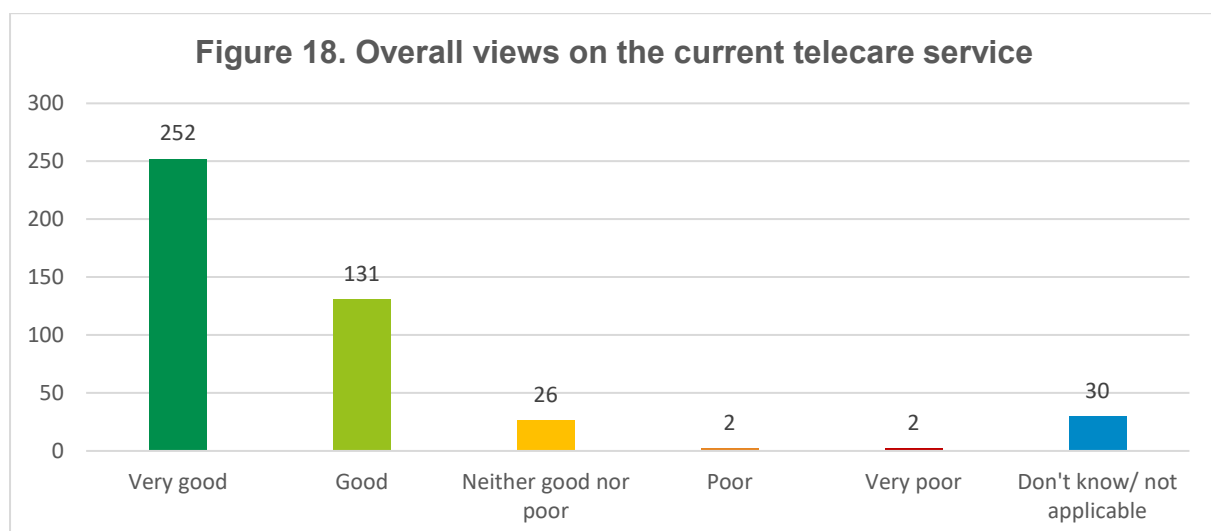
#### **Example comments - Alternative suggestions**

- *"No, I think it's a big mistake you are messing with people's lives and their safety comes first. If you were disabled you would understand."*
- *"We have to pay for our carers and other help. It is just one more thing that would take us into having to depend on family."*
- *"Free for paralysed/ bed bound."*
- *"I would be willing to pay a one-off payment towards the cost but as pensioners cost of living is increasing but our income is not. I would have the alarm removed if a weekly or monthly payment were instigated."*
- *"fully charge all users."*
- *"My Mum is on Pension Credit but not eligible for the reduced tariff for her broadband. Her system is now digital. Could it not be part of her Broadband package and the provider soak up expense? Lower eligibility for reduced tariff."*



- *“Partner with the local NHS and voluntary sector to realize the full potential benefits, and factor in the savings made due to early intervention, compared to the costs of crisis intervention.”*
- *“Regular reviews of equipment provided and whether circumstances mean that items are no longer required /used by individuals would reduce cost of providing new equipment.”*
- *“I very strongly feel that money is being wasted on unnecessary care packages due to lack of monitoring and therefore not reducing packages. The 3 monthly re-assessment has never happened for me and probably others and it is now 18 months overdue and my care package is way bigger and more expensive than it needs to be. You can never get hold of a social worker. I am sure I am not the only one and it would literally save 1000s of £s – Just by monitoring regularly and carrying out reassessments on time.”*
- *“Charge for disabled parking.”*
- *“You could combine the service with the councils existing 24-hour emergency contact.”*
- *“Charge like a normal telephone service and we pay for the number of calls made. Certainly charge for instillation.”*
- *“To cut the budget elsewhere to pay for the service as it is always pensioners that seem to suffer from and price rises.”*
- *“Cut costs in other areas that are not urgent or needed or affect life and death. Probably many woke areas being funded in the council.”*
- *“Charge less and sell your shopping centres. Don't waste our council tax.”*
- *“Yes, stop paying for consultancy services. Your senior officers should be providing and don't buy redundant shopping malls.”*
- *“Reduce the salaries of the council workers and reduce waste and improve efficiency of all council departments.”*
- *“Easy stop paying such high salaries to members of the council at the top and paying towards the high cost of immigration.”*

As the comments above show, there were many helpful comments and they describe how survey respondents view the service and Shropshire Council more widely. The comments highlight some dissatisfaction with Shropshire Council generally. A question was included to obtain a clear view of the current telecare service. All survey respondents were asked to rate the service from very good to very poor. Figure 18 displays that the result was very positive. 82% rate the current service either good or very good, only 4 people selected poor or very poor and the remainder have a neutral view, didn't know or did not respond to the question.



The response to the question highlights high levels of satisfaction with the current service. This was evident from many of the questions throughout the survey, particularly within the comments where people expressed that they value the service. Many commented on the importance of peace of mind and reassurance, but others wrote how the responder service had been important following a fall or other incident at home.

The last main question within the survey read 'If you have any ideas or suggestions for improving telecare services in Shropshire please add comments below.' This question was designed to obtain feedback more generally, beyond the charging proposals. Table 9 displays the summary of the responses and themes from the comments. There were 49 comments in total (one comment covered 2 themes).

**Table 9 Overall feedback and suggestions for the current telecare service**

| Theme  | Count     | %           |
|--|-----------|-------------|
| Satisfied with the system / good service           | 16        | 32%         |
| Keep it free for users                             | 5         | 10%         |
| Improved response times                            | 4         | 8%          |
| Improved communication / aftercare                 | 9         | 18%         |
| Improvements in the system required                | 7         | 14%         |
| Criticism of the consultation / Shropshire Council | 5         | 10%         |
| Other  | 4         | 8%          |
| <b>Total</b>                                       | <b>50</b> | <b>100%</b> |

#### **Example comments - Overall feedback and suggestions (current service)**

- *"Mine couldn't go digital as the signal area is poor."*
- *"When goes digital how would some older people get access to the service if no internet for it to go digital. BT keep asking when going digital takes 24 hours for change over."*
- *"They need to be added so that full fibre broadband can be used so it is compatible."*
- *"Disturbing that no one from Telecare has noticed that the system has been disconnected."*
- *"Make it known how much SC pays and how much time the provider spends per person on average."*
- *"I don't know enough about how it has been set up and cost to council etc. more information required and hope that its kept."*
- *"There needs to be a local responder on hand. My husband has dementia he had a fall in January. The call went through to Doncaster then I was told it would be hours before a medic came so I had to call a relation for help. Poor service on this occasion."*
- *"Please train more paramedics to improve response times."*
- *"Faster response times when there is a fall would be appreciated."*
- *"Giving the most vulnerable the greatest priority and introducing a first responder service may be a way forward."*
- *"Don't ever change. Your ladies and the night gentleman are very pleasant. If a score I would give them very good."*
- *"It is great! Thankyou."*
- *"Very happy with the service."*

The feedback highlights that there are good levels of satisfaction overall but a few concerns including the need to improve response times, the need to improve communication and aftercare (including concerns relating to internet provision), and concerns about the way Shropshire Council manages its services and budgets. The next, and last, section of the report summarises the feedback from the consultation as a whole.



## 6 Summary and Conclusion

Shropshire Council initiated the telecare charging consultation in January 2025 to explore ways of addressing widely publicised local authority budget constraints and the rising costs associated with providing Telecare services within the county. Currently, Shropshire is one of the few councils that do not charge for Telecare, with charges in other councils ranging from £1.50 to £19 per week. The consultation proposal included a charge of £3.45 per week to align Shropshire with other councils and ensure the sustainability of the service.

Key features of the charging proposal include:

- A weekly charge of £3.45 for all Telecare users, with a one-off start-up fee of £35 for new users.
- Exemptions for residents receiving care packages or after-care services under the Mental Health Act.
- A free six-week trial for new users as part of a reablement package.
- The charge would be the same no matter how little or often the alarm system is triggered.
- The charge will be reviewed annually when the Council sets its budget, fees and charges.

The consultation involved an online survey promoted through various channels and also a postal survey to existing users. The consultation ran from 20 January 2025 to 10 March 2025 and during that time 467 responses were provided. Responses were provided from across Shropshire, including very rural areas of the county and slightly beyond the county borders.

67% of respondents were female, and 90% were aged 55 or older. 65% identified as disabled, with mobility dexterity, stamina/breathing/fatigue and hearing loss being the most common impairments among respondents. Many of the respondents indicated fairly high levels of need and multiple impairments impacting on daily activity. Approximately 43% of the respondents currently using telecare services described receiving some form of financial support or benefits. When asked about equalities and protected characteristics main concerns were living in isolated rural areas/ living alone, having a disability and concerns around age discrimination.

Among the respondents, approximately between 75% and 85% of respondents are current users of Telecare (91% of responses were to the paper survey issued to households with telecare), with many expressing that they value the service for its reliability and peace of mind. A significant portion had not yet needed to use the service, indicating a reliance on the system for emergencies. Feedback indicated that many users were unaware of the need to regularly test their equipment, highlighting a gap in communication regarding service usage. Other survey respondents were predominantly family members or carers responding on behalf of a telecare service user. There were very few responses to the consultation from representatives of local organisations.

The survey explored whether respondents would utilize a responder service if introduced, with a majority indicating disinterest. However, there was some willingness to pay for such a service, with most preferring a charge of less than £3 per week.

The overall feedback reflected mixed feelings towards the proposed charges:

- 76% agreed that charges should not apply to care-eligible individuals.
- 52% disagreed with the introduction of the £3.45 weekly charge.
- For the proposal that people without an assessed need should be charged, 31% agree/strongly agree and 29% disagree/strongly disagree.
- When asked if a one-off charge of £35 for new users should be introduced, 26% agree/strongly agree and 30% disagree/strongly disagree.
- There is support for a free 6-week trial for those with a reablement package (48% agree or strongly agree).
- 60% agree or strongly agree that the charge should be the same no matter how little or often the alarm system is triggered (11% disagree or strongly disagree and others don't have a view).
- The element of the proposal with more mixed views relates to whether the charge should be reviewed annually when the Council sets its budget, fees and charges. 36% agree or strongly agree that would be appropriate whilst 24% disagree or strongly disagree.

Overall, 34% agree or strongly agree with the telecare charging proposals overall, 21% do not have an opinion and 30% disagree or strongly disagree (7% don't know and 8% didn't answer the question). Considerable levels of concern were expressed within comments and only 49% of respondents said they would continue with the service if charges were introduced.

Many respondents expressed concerns about affordability and the potential negative impact on vulnerable individuals. Suggestions included means-testing charges and keeping the service free for those in greatest need. Many people highlighted concerns that the loss of a preventative service such as telecare would increase costs elsewhere. Examples provided included Ambulance call outs and the need for residential care. Predominantly the only positive comments for the proposals were that charging could potentially prevent the service from being lost and allow it to continue.

## Conclusion

While there is recognition of the need for sustainable funding for Telecare services, many respondents expressed concerns that charging could jeopardize their own safety and independence or that of other vulnerable users. The council is encouraged to consider the feedback before making a final decision on the proposed charges. The results of the consultation will be presented to Shropshire Council's Cabinet for decision in June 2025. If the Council decides to introduce a charge, everyone affected will be notified in writing, and given information on how to pay and the amount they will be expected to pay.



**May 2025**

Analysis and reporting by:  
Feedback and Insight Team, Shropshire Council  
Email: [TellUs@shropshire.gov.uk](mailto:TellUs@shropshire.gov.uk)

Shropshire Council Lead Department:  
Commissioning



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**Shropshire Council**  
**Equality, Social Inclusion and Health Impact Assessment (ESHIA)**  
**Stage One Screening Record 2025**

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

|   |
|---|
| <b>Name of proposed service change</b>            |
| Charging for telecare: proposals for consultation |

|   |
|---|
| <b>Name of the officer carrying out the screening</b> |
| Faith Jones and Emma Valducci                         |

|   |
|---|
| <b>Decision, review, and monitoring</b> |
|---|

| Decision  | Yes | No |
|---|-----|----|
| Initial (Stage One) ESHIA Only?                           | x   |    |
| Proceed to Stage Two Full ESHIA or HIA (part two) Report? |     | X  |

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

|   |
|---|
| <p><b>Actions to mitigate likely negative impact or enhance positive impact of the service change in terms of equality and social inclusion considerations</b></p> <p>The consultation regarding the telecare service charges aims to understand the impact of proposed changes on residents. The survey includes questions to understand individuals in terms of their Protected Characteristics and how these changes might affect people in and across different groupings. The consultation will help identify additional negative and positive impacts.</p> <p>This new approach would clarify when people should be charged for using these services, potentially leading to increased contributions for some and new contributions for others. It would also streamline the financial assessment process for the Telecare Service.</p> <p>Given the intersectionality across the nine Protected Characteristics as defined in the Equality Act 2010, a medium positive impact is predicted for individuals and households, particularly those in the Age and Disability groups. Increased accessibility of telecare without a social care assessment is expected to have additional positive impacts for these groups.</p> <p>The initial screening process has indicated likely low to medium positive impacts for individuals and households at risk of social exclusion in Shropshire, including vulnerable individuals such as those living in fuel poverty and refugee households. The Council will seek to maximise positive equality impacts for vulnerable</p> |
|---|

individuals, including those with disabilities. There will also be neutral to positive impacts for veterans and serving armed forces members and their families, whom the Council considers under Social Inclusion, an additional category not defined by the Equality Act.

A potential negative impact identified is the ability to pay for the service. During the financial assessment, the Council may provide advice on benefit entitlement and refer or signpost individuals to relevant agencies and services. The consultation process aims to obtain feedback from a wide range of people and organisations to assess the potential negative impact and enhance predicted positive impacts.

Ahead of consultation, potential negative impacts have been identified for older adults (Age), people with disabilities (Disability), and low-income households (Social Inclusion) due to proposed budget cuts that may reduce service access and increase costs.

While the Council considers the impacts on individuals and households based on factors like low income or rurality, these are not Protected Characteristics under the Equality Act 2010. The Council follows good practice by considering these factors but is not legally bound by them. The Council must also consider the needs of serving armed forces members, their families, and veterans, as required by separate legislation. Feedback from this group will be sought with help from Armed Forces Covenant officers.

Regarding telecare charges, the following measures aim to mitigate potential negative impacts on low-income households:

**Affordability:** The proposed cost is £3.45 per week, subject to consultation.

**Payment methods:** Options like Direct debit, Pay Point and Post Office will be considered to aid accessibility.

**Opt-in:** Website and phone system accessibility will be considered to support those without digital skills or with sensory, emotional, or physical needs.

Several non-statutory services (services the Council is not obliged to provide) are commissioned to meet individuals' eligible needs, including Telecare. Some of these services are part of a person's Support Plan to meet their eligible care needs, but currently, some people with no eligible needs receive these services without charge.

The proposal aims to consistently apply the following principles to non-statutory services such as telecare:

If a non-statutory service meets eligible needs, it will be part of the overall Support Plan and financial assessment and there will be no charge.

If a non-statutory service is provided to someone without eligible needs, the cost will be charged.

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

The consultation on charging for telecare aims to understand the impact of proposed service changes on residents. The survey includes questions to understand individual and protected characteristics and how people may be differently impacted. It will help identify additional positive and negative impacts. Potential impacts include:

#### **Cancellation of Service**

If someone cancels their service due to the assessed contribution, they must contact the financial assessment team, who will notify the social worker team. A risk assessment may be conducted to identify any risks due to unmet needs, and measures will be taken to mitigate these risks wherever possible.

#### **Benefit Maximisation**

During the financial assessment process, the Council may advise on benefit entitlement, including referrals or signposting to relevant agencies and services.

#### **Appeals and Complaints**

If someone disagrees with their financial assessment outcome, they can request a review by explaining why they believe the decision is incorrect. If additional information needs to be considered, people will be advised that they should contact the Financial Assessment team. In some cases, this may involve completing a new financial assessment form. If the person remains dissatisfied, they will be advised that can file a complaint via the Shropshire Council website or via the first point of contact.

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

After the public consultation, the ESHIA will be updated based on community feedback. The authority will also share approaches with comparator authorities, especially other rural unitary authorities and those in the West Midlands, to promote good practice.

Additionally, the proposed action plan will undergo regular monitoring, and the charging policy will be reviewed annually. This will build on ongoing engagement with people in the Protected Characteristic groups of Age and Disability, as well as with vulnerable groups, including people with dementia, veterans, and serving members of the armed forces and their families.

When evaluating the charging policy's impact on independent living, mental and physical health, and social inclusion, opportunities to enhance positive impacts will be prioritised. Regular monitoring and ongoing engagement will help ensure that such impacts are identified, and adjustments are made to project delivery.

People affected by the proposed charges are expected to be predominantly older adults. There are concerns that increased contributions to their care packages could lead some individuals to cancel services. To mitigate this, Social Workers will conduct risk assessments if a person decides to cancel services they have been assessed as needing, ensuring that appropriate safeguards and/or mitigations are in place. Cases of individual hardship will be reviewed on a case-by-case basis, and we may adjust contributions temporarily. Charges will only be imposed on those deemed able to afford them, following an individual financial assessment in line with the Council's policy. Consultations will be conducted with those impacted by the proposals to ensure they are fully informed of the changes and their implications.

A committee report will be produced in 2025, outlining the reviewing and monitoring outcomes, which will mitigate negative impacts or enhance positive impacts of the proposed service change for groupings in the community and the wider community.

#### **Associated ESHIAs**

*The ESHIA carried out for the Shropshire Plan highlights strategic objectives for Healthy People, as follows;*

We'll support Shropshire residents to take responsibility for their own health and wellbeing, choosing healthy lifestyles and preventing ill-health, reducing the need for long-term or hospital care.

We'll work with partners to develop, commission and deliver the right services and support that meet the needs of children, young people, adults and families in the right place, at the right time.

**Actions to mitigate likely negative impact, enhance positive impact, and review and monitor the overall impacts with regard to climate change impacts and with regard to economic and societal impacts**

***Climate Change***



The following measures aim to enhance positive impacts related to climate change:

- **Reduced Face-to-Face Assessments:** By minimising in-person assessments for telecare services, travel time and carbon emissions from transport will be significantly reduced.

***Economic and Societal/Wider Community***

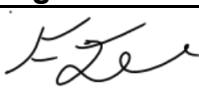




Shropshire Plan 2022-2025 Strategic Objectives:

- This service aligns with all Strategic Objectives within the Shropshire Plan 2022-2025. It supports strategic priorities such as a proactive and preventative approach, promoting healthier communities, reducing inequalities, and improving outcomes.

***Positive Impact on Unpaid Carers***

- **Increased Accessibility Without Assessment:** Telecare can provide essential support to caregivers by taking on some monitoring responsibilities, allowing them respite and peace of mind to seek employment.
- **Enhanced Independence:** Increasing the number of telecare users can positively impact individuals' independence, enabling them to stay at home longer and avoid the costs associated with face-to-face care. It may also support and ease demand on beds and care home attendance within the county for those who do not require such in-depth care/support at this stage in their lives. The mental health impacts of maintaining this independence and remaining within their local community are substantial.


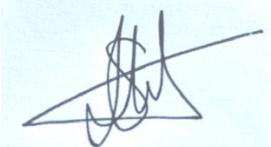
**Scrutiny at Stage One screening stage**

| <b>People involved</b>   | <b>Signatures</b>  | <b>Date</b>              |
|--|--|--------------------------|
| <i>Lead officer for the proposed service change</i>                                    |   | 16/01/2025               |
| <i>Officer carrying out the screening</i>  | <br> | 16/01/2025<br>16/01/2025 |
| <i>Any other internal service area support*</i>  |  |                          |
| <i>Any external support**<br/>Mrs Lois Dale<br/>Rurality and Equalities Specialist</i> | <br> | 15/01/2025<br>16/01/2025 |

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

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

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

| <b>Name</b>                         | <b>Signatures</b>  | <b>Date</b> |
|-------------------------------------|--|-------------|
| <i>Lead officer's name</i>          |  | 16/01/2025  |
| <i>Commissioning manager's name</i> |   | 16/01/2025  |

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

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

| <b>Aims of the service change and description</b>  |
|--|
| <p>Telecare is a service designed to support individuals in living independently, providing an additional layer of assistance that enables clients and their carers to access emergency support 24/7. Shropshire Council is now consulting on proposals to introduce a subsidised charge for the Telecare service. Despite our ongoing commitment to delivering excellent care services for local residents, the current financial situation for local councils necessitates exploring ways to recover some of the operational costs of the Telecare services. We are dedicated to continuing funding the service for those who are eligible for care (i.e., have a social care package) following assessment. For individuals with lower-level needs or as a preventative measure, we propose a minimal payment towards the service.</p> <p>We are inviting Telecare clients, carers, health and social care professionals, and the wider public to provide feedback on the proposals to introduce charges for the Telecare service.</p> <p>In Shropshire Council, we support around 2,000 people with Telecare. Like most councils, there is no set criteria to determine "Telecare eligibility", with support dealt with on a case-by-case basis, often alongside other forms of care. However, as the Council is not the only Telecare issuing body within the county, and individuals are able to purchase these devices themselves direct from suppliers, the total number using Telecare across the county is likely to be much higher.</p> <p>Shropshire Council's main reasons for issuing Telecare are to support someone who is at risk of falling, someone with cognitive impairment (dementia, learning difficulties etc), or as part of managing conditions such as epilepsy. Whilst these</p> |

reasons still hold true for the wider population who privately purchase Telecare devices, a significant number are bought simply to give individuals and their families peace of mind.

Where that wider population is one with an ageing demographic and/or a significant rural component, as is the case in Shropshire, communication regarding the proposed charges, or appropriate alternatives needs to be made through the channels that people are likely to use.

Telecare provides a way for people to signal for help if they are in need in their homes. Anyone can use it, including older adults, disabled and vulnerable people. You may have heard of them being called 'Careline', 'Care Alarm' or 'Lifeline' systems.

A standard telecare alarm package usually comes with a base unit. This either plugs into your telephone line or connects to the internet. It also comes with a call button, which you can wear as a pendant around the neck, wrist strap, and sometime includes falls detectors worn on the wrist and sensor mats.

The call button is the part used call for help when needed or some equipment can generate automatic alerts in the event of particular issues arising such as a fall. When activated the call will be picked up by a response centre. The response centre will assess the situation and make a decision about the help is needed. This might be to call an emergency contact such as a family member or friend, call a service listed on the persons record or might be to calls emergency services. In some areas, the Telecare Responder service provides 24/7 assistance and home visits to check on clients' wellbeing. While this service is not currently available in Shropshire, we are seeking your feedback through the consultation to determine if it would be beneficial.

Telecare offers several benefits, including:

- Ensuring individuals can summon help in an emergency.
- Helping individuals maintain independence while living at home.
- Providing reassurance to family and carers that a service user can quickly access help in an emergency.

Due to central government funding restrictions, the Council has been exploring alternative methods to recover some costs for running services. One option under consideration is introducing charges for previously free services.

Shropshire Council must operate with a reduced budget while facing rising costs and increased demand for services, which further strain financial resources. Approximately 77% of the Council's day-to-day budget is allocated to adults and children's social care services, which support the county's most vulnerable residents.

Shropshire Council is consulting on the proposal to introduce a charge of £3.45 per week for the Telecare service. This charge would apply to both existing and new users. We are proposing this reduced charge in recognition that the majority of Telecare clients are older adults who may be less able to afford the full charge. Residents receiving a care package from Shropshire Council would be exempt from the proposed changes and would not need to pay the charge. Additionally, we propose a one-off start-up fee of £35.00 for new users. Those people who are in receipt of reablement services will also receive a six-week free trial as part of the proposal.

Shropshire is one of the few councils that do not currently charge residents for the Telecare service. Charges for Telecare services in other councils range from £1.50 to £19 per week. Introducing a charge in Shropshire would align the Council with other areas, helping to recover some operational costs and sustain and develop the service. If the proposed charge is introduced and all users pay the relevant fee, it is estimated that the Council could recover £75,000 of the £240,000 annual cost of running the Telecare service. Therefore, the proposed charges would contribute towards covering the service's full cost, whilst being at the lower end of the range of charges across the country.

Given that the proposed charges will predominantly affect older people, there are concerns that increased financial contributions to care packages could lead some to cancel services. To mitigate this, Social Workers will conduct risk assessments if individuals decide to cancel services they have been assessed as needing, ensuring appropriate safeguards and/or mitigations are in place. Cases of individual hardship will be considered on a case-by-case basis, and we may adjust contributions temporarily. Charges will only be applied to those who can afford to pay them, following an individual financial assessment in line with Council policy. We will carry out consultations with those impacted to ensure they are fully informed of the changes and their implications.

Key features of the charging proposal include:

- The charge remains the same regardless of how frequently the alarm system is used.
- All Telecare equipment remains the property of the Council.
- The charge will be reviewed annually in line with the Council's budget, fees, and charges.

If the Council decides to implement the charge, everyone affected will be notified in writing with information on payment procedures and the expected amount.

|   |
|---|
| <b>Intended audiences and target groups for the service change</b>  |
| The consultation is directed at the public, including communities, service users, and their representatives, such as town and parish councils, and Shropshire |

Council councillors serving as community leaders. All Shropshire Councillors will be informed about the public consultation and proposed changes.

There is a higher proportion of older individuals receiving care and support services, including Telecare, compared to younger individuals. As such, the proposal is likely to have a greater impact on older people as a target audience.

A greater number of people with disabilities receive care and support services, including Telecare, compared to those without disabilities. Therefore, the policies may have a more significant impact on people with disabilities than on those without disabilities. Policies will be made available in alternative formats upon request. Reasonable disability-related expenses (DREs) will be disregarded in the financial assessment to ensure the Minimum Income Guarantee (MIG) does not cover DREs. Charges will only be levied against those deemed able to afford them, following a financial assessment in line with the Council's policy. Individuals will be supported in obtaining advice and assistance from the welfare support team.

Positive: Removing the eligibility threshold criteria is expected to increase the number of people using the Telecare service, providing additional income to support the service's ongoing sustainability and investment.

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

The consultation document and proposal has been shaped by a variety of data sources, which include strategies that have been closely aligned to the adopted Local Plan and in the emerging Shropshire Local Plan. These documents collectively form the foundation of the Council's planning approach and provide valuable insights. Utilising this information is important not only for justifying funding and planning priorities but also for the continuous monitoring of our strategy and priorities.

Evidence used to develop the service change proposals includes:

- Population and household type/composition data for Shropshire Council area.
- The principles of The Care Act 2014
- Shropshire Council Shropshire Plan
- Shropshire Council's financial modelling data.
- Council submission to Ofcom inquiry in 2018 (**Ofcom Consultation on Protecting access to emergency services in power cuts at customer premises: Shropshire Council Response for 050718**)
- Public consultations and reports produced by other local authorities.

The public consultation will result in more data and an update will be provided when results of the feedback are available.

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

The consultation will take place over eight weeks while the proposal is still at a formative stage. The proposal includes sufficient reasons for consideration and response, and an eight-week timeframe has been given for this. The results of the consultation will be conscientiously considered and presented to Cabinet ~~the cabinet~~ in 2025 for a decision. Consultation documents will be made available in other formats and in an easy-read version. The consultation will take place over eight weeks while the proposal is still at a formative stage. The proposal includes sufficient reasons for consideration and response, and an eight-week timeframe has been given for this. The results of the consultation will be conscientiously considered and presented to Cabinet in 2025 for a decision.

Consultation documents will be made available in other formats and in an easy-read version.

Members of the co-production team will be asked to review the consultation results and make recommendations. Continued regular engagement will update the group on any impacts should the proposal be approved as introduced.

A briefing sheet for elected members will be developed and distributed, enabling them to explain the proposal to their constituents.

The proposed eight-week public consultation will include consultations with town and parish councils, as well as provide opportunities for feedback from the general public and partner organisations. All Shropshire residents are invited to participate in the consultation.

Where the population is one with an ageing demographic and/or a significant rural component, as is the case in Shropshire, communication on these proposed changes to service provision needs to be made through the channels that people are likely to use.

We especially encourage current Telecare service users and those who may be affected by the proposed changes to provide their feedback. To ensure broad awareness and participation, we will contact a variety of groups, including:

- Members of the public (through general communications and updates to users of the service)
- Town and Parish Councils
- Elected Councillors
- Officers of Shropshire Council from various departments

- Local businesses
- Voluntary and community sector groups and organisations
- Other public sector organisations
- Anyone with an interest in this issue

Provisions are in place for those unable to respond online to request alternative versions of the consultation materials. Responses can also be submitted via email, letter, paper surveys available at local libraries, and tailored formats upon request. An easy-read version of the consultation will be available on the Shropshire Council website and upon request.

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

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

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

| <b>Protected Characteristic groupings and other groupings locally identified in Shropshire</b>  | <b>High negative impact<br/>Stage Two<br/>ESHIA required</b> | <b>High positive impact<br/>Stage One<br/>ESHIA required</b> | <b>Medium positive or negative impact<br/>Stage One<br/>ESHIA required</b>  | <b>Low positive, negative, or neutral impact (please specify)<br/>Stage One<br/>ESHIA required</b> |
|---|--|--|---|--|
| <u>Age</u><br>(please include children, young people, young people leaving care, people of working age, older people. Some people may belong to more than one group e.g., a child or young person for whom there are safeguarding concerns e.g., an older person with a disability) |  |  | Medium - negative impact; ability to pay<br><br>Positive:<br>Increased accessibility of telecare without a social care assessment |  |
| <u>Disability</u><br>(please include cancer; HIV/AIDS; learning disabilities; mental health conditions and syndromes; multiple sclerosis; neurodiverse conditions such as autism; hidden disabilities such as Crohn's disease; physical   |  |  | Medium - negative impact: ability to pay  |  |

|   |  |  |   |                        |
|---|--|--|---|------------------------|
| and/or sensory disabilities or impairments)   |  |  | Positive:<br>Increased accessibility of telecare without a social care assessment |                        |
| <b><u>Gender re-assignment</u></b><br>(please include associated aspects: safety, caring responsibility, potential for bullying and harassment)   |  |  |   | neutral/minimal impact |
| <b><u>Marriage and Civil Partnership</u></b><br>(please include associated aspects: caring responsibility, potential for bullying and harassment)   |  |  |   | neutral/minimal impact |
| <b><u>Pregnancy and Maternity</u></b> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)   |  |  |   | neutral/minimal impact |
| <b><u>Race</u></b><br>(please include ethnicity, nationality, culture, language, Gypsy, Roma, Traveller)  |  |  |   | neutral/minimal impact |
| <b><u>Religion or Belief</u></b><br>(please include Buddhism, Christianity, Hinduism, Islam, Jainism, Judaism, Nonconformists; Rastafarianism; Shinto, Sikhism, Taoism, Veganism, Zoroastrianism, and any others)                           |  |  |   | neutral/minimal impact |
| <b><u>Sex</u></b><br>(please include associated aspects: safety, caring responsibility, potential for bullying and harassment)  |  |  |   | neutral/minimal impact |
| <b><u>Sexual Orientation</u></b><br>(please include associated aspects: safety; caring responsibility; potential for bullying and harassment)   |  |  |   | neutral/minimal impact |
| <b><u>Other: Social Inclusion</u></b><br>(please include families and friends with caring responsibilities; households in poverty or on low incomes; people for whom there are safeguarding concerns; people you consider to be vulnerable; |  |  | Medium - negative impact: ability to pay  |                        |



|   |  |  |  |                           |
|---|--|--|--|---------------------------|
| people with health inequalities;<br>refugees and asylum seekers;<br>rural communities)        |  |  | Positive:<br>Increased<br>accessibility<br>of telecare<br>without a<br>social care<br>assessment |                           |
| <u>Other: Veterans and<br/>serving members of the<br/>armed forces and their<br/>families</u> |  |  |  | neutral/minimal<br>impact |
| <u>Other: Young people<br/>leaving care</u>   |  |  |  | neutral/minimal<br>impact |

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

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

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

| <b>Health and wellbeing:<br/>individuals and communities in Shropshire</b>  | <b>High negative impact<br/><i>Part Two HIA required</i></b> | <b>High positive impact</b> | <b>Medium positive or negative impact</b>  | <b>Low positive negative or neutral impact<br/>(please specify)</b> |
|---|--|-----------------------------|--|---|
| <p><b>Will the proposal have a <i>direct impact</i> on an individual's health, mental health and wellbeing?</b></p> <p>For example, would it cause ill health, affecting social inclusion, independence and participation?</p> <p>.</p> |  |                             | <p>Medium/high impact should users decide to cancel service due to charge.</p> <p>Positive impact on individuals mental wellbeing if able to remain within their homes/community, maintaining pre-existing social links for new users who may otherwise require care home services and be moved.</p> |   |

|  |  |  |  |                              |
|--|--|--|--|------------------------------|
| <p><b>Will the proposal <i>indirectly impact</i> an individual's ability to improve their own health and wellbeing?</b></p> <p>For example, will it affect their ability to be physically active, choose healthy food, reduce drinking and smoking?</p> <p>.</p>   |  |  | <p>Medium/high impact should users decide to cancel service due to charge.</p>   |                              |
| <p><b>Will the policy have a <i>direct impact</i> on the community - social, economic and environmental living conditions that would impact health?</b></p> <p>For example, would it affect housing, transport, child development, education, employment opportunities, availability of green space or climate change mitigation?</p> <p>.</p> |  |  |  | <p>Low community impact.</p> |
| <p><b>Will there be a likely change in <i>demand</i> for or access to health and social care services?</b></p> <p>For example: Primary Care, Hospital Care, Community Services, Mental Health, Local Authority services including Social Services?</p> <p>.</p>  |  |  | <p>Medium positive impact due to increased accessibility of the service without the need for an assessment</p> <p>Potential reduction in immediate demand for care home or beds due to remaining independent if there is an increase in users.</p> |                              |

## **Guidance Notes**

### **1. Legal Context**

It is a legal requirement for local authorities to assess the equality and human rights impact of changes proposed or made to services. It is up to us as an authority to decide what form our equality impact assessment may take. By way of illustration, some local authorities focus more overtly upon human rights; some include safeguarding.

It is about what is considered to be needed in a local authority's area, in line with local factors such as demography and strategic objectives as well as with the national legislative imperatives.

Carrying out these impact assessments helps us as a public authority to ensure that, as far as possible, we are taking actions to meet the general equality duty placed on us by the Equality Act 2010, and to thus demonstrate that the three equality aims are integral to our decision making processes.

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

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

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

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

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

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

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

If the screening indicates that there are likely to be high negative impacts for groupings within the community, the service area would need to take advice on whether or not to carry out a full report, or Stage Two assessment. This is resource intensive but will enable more evidence to be collected that will help the service area to reach an informed opinion.

In practice, Stage Two or Full Screening Assessments have only been recommended twice since 2014, as the ongoing mitigation of negative equality impacts should serve to keep them below the threshold for triggering a Full Screening Assessment. The expectation is that Full Screening Assessments in regard to Health Impacts may occasionally need to be undertaken, but this would be very much the exception rather than the rule.

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

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

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

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

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

There are nine Protected Characteristic groupings defined in the Equality Act 2010.

The full list of groupings is: Age; Disability; Gender Reassignment; Marriage and Civil Partnership; Pregnancy and Maternity; Race; Religion or Belief; Sex; and Sexual Orientation.

There is also intersectionality between these. Eg a young person with a disability would be in the groupings of Age and Disability, and if they described themselves as having a faith they would then also be in the grouping of Religion or Belief. We demonstrate equal treatment to people who are in these groups and to people who are not, through having what is termed 'due regard' to their needs and views when developing and implementing policy and strategy and when commissioning, procuring, arranging, or delivering services.

For the individuals and groupings who may be affected, ask yourself what impact do you think is likely and what actions will you currently anticipate taking, to mitigate or enhance likely impact of the service change? If you are reducing a service, for example, there may be further use you could make of awareness raising through social media and other channels to reach more people who may be affected.

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

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

We are now also identifying care leavers as a distinct separate local grouping due to their circumstances as vulnerable individuals.

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

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

*Carry out an ESHIA:*

- If you are building or reconfiguring a building.
- If you are planning to reduce or remove or reconfigure a service.

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

*Carry out and record your equality and social inclusion approach:*

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

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

This is a relatively new area to record within our overall assessments of impacts, for which we are asking service area leads to consider health and wellbeing impacts, and to look at these in the context of direct and indirect impacts for individuals and for communities.

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

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

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

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

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

### **Individuals**

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

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

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

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

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

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

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

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

### **Communities**

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

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

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

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

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

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

### **Demand**

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

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

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

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

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**Shropshire**  
Council

## **Adult Social Care**

**Charging and Financial**

**Assessment Policy**

**for**

**Non-Residential Care**

**2024-2025**

**Document Title:** Adult Social Care Charging and Financial Assessment Policy for Non-Residential Care 2024/25

**Summary**

|   |   |
|---|---|
| Publication Date                                      | April 2024  |
| Related Legislation/Applicable Section of Legislation | <ul style="list-style-type: none"><li>▪ <a href="#">The Care Act 2014</a></li><li>• <a href="#">The Care and Support (Charging and Assessment of Resources) Regulations 2014</a></li><li>• <a href="#">Charging-for-care-and-support-local-authority-circular: 2024 to 2025</a></li></ul> |
| Related Policies, Strategies, Guideline Documents     | <ul style="list-style-type: none"><li>• <a href="#">Care and Support Statutory Guidance</a></li></ul>   |
| Replaces  | <ul style="list-style-type: none"><li>• The Council's Fairer Charging Policy</li><li>• Adult Social Care Charging and Financial Assessment Policy 2023/24</li></ul>   |
| Joint Policy (Yes/No)                                 | No  |
| Name of Partner(s) if joint                           | N/A   |
| Policy Owner (Position)                               | Assistant Director of Adult Social Care   |
| Policy Author (Position)                              | Team Leader Financial Assessments, Adult Social Care Business Support   |

**Review of Policy**

|                      |               |
|----------------------|---------------|
| Last Review Date     | February 2024 |
| Review undertaken by | TBC           |
| Next Review Date     | February 2025 |

**Document Approvals:**

| Name | Title | Date of Issue | Version Number |
|------|-------|---------------|----------------|
| TBC  |       |               |                |

## **Introduction**

This policy complies with The Care Act 2014 which provides a single legal framework for charging for care and support in Adult Care Services.

The main aim of this policy is to produce a consistent and fair framework for charging for all service users who receive non-residential services.

Non-residential services that fall within the scope of this policy include:

- Care in a person's own home
- Day Care (including college day placements)
- Rolling Respite
- Shared Lives Services
- Supported Living
- Transport

## **Legal basis for charging and financial assessments**

Under section 14 of The Care Act 2014 Shropshire Council is allowed to charge people in receipt of care and support services where it is permitted to charge.

Under section 17 of The Care Act 2014 Shropshire Council is required to undertake a financial assessment for adults with eligible care and support needs to determine the amount (if any) that a service user is assessed as able to pay towards the cost of meeting their care and support needs.

This policy has been designed to comply with the Care and support (Charging and Assessment of Resources) Regulations 2014, which sets out:

- How a Local Authority is to carry out a financial assessment if the Local Authority is to charge for care and support.
- Rules on treatment and calculation of income and capital within a financial assessment (including notional income and notional capital where a person has deliberately deprived themselves of an asset)
- Rules on minimum allowances to be given within a financial assessment
- The power to charge the costs of putting arrangements into place in specific situations.

Shropshire Council follows the regulations and the Care and Support Statutory Guidance (including annexes) issued under the Care Act 2014.

## **The key principles**

The overarching principle of the legislation is that people should only be required to pay what they can afford. People will be entitled to financial support based on a means-test and some will be entitled to free care. Shropshire Council follows the principles that the approach to charging for care and support needs should:

- Ensure that people are not charged more than it is reasonably practicable for them to pay;
- Be comprehensive, to reduce variation in the way people are assessed and charged;
- Be clear and transparent, so people know what they will be charged;

- Promote wellbeing, social inclusion, and support the vision of personalisation, independence, choice and control;
- Support carers to look after their own health and wellbeing and to care effectively and safely;
- Be person-focused, reflecting the variety of care and caring journeys and the variety of options available to meet the person's needs;
- Apply the charging rules consistently to all individuals receiving services, so that everyone is treated fairly and equitably;
- Encourage and enable those who wish to stay in or take up employment, education or training or plan for the future costs of meeting their needs to do so;
- Be sustainable for Shropshire Council in the long-term.

## **Care and Support that is free of charge**

Shropshire Council will not charge for:

- Intermediate care including reablement, which must be provided free of charge for up to 6 weeks for a specified period of a programme of care and support to assist a person to maintain or regain the ability needed to live independently in their own home.
- Community equipment (which includes aids and minor adaptations to property, for the purpose of assisting with nursing at home or aiding daily living). Aids must be provided free of charge whether provided to meet or prevent/delay needs. A minor adaptation is one costing £1,000 or less.
- Services provided directly to a carer to meet that carer's identified needs
- Care and support provided to people with Creutzfeldt-Jacob Disease.
- After-care services and support provided under section 117 of the Mental Health Act 1983.
- Any other service or part of service that the NHS is under a duty to provide. This includes Continuing Health Care and the NHS contribution to Registered Nursing Care.
- Any services which a local authority is under a duty to provide through other legislation may not be charged for under the Care Act 2014.

## **Requirement for Financial Assessments**

If the person or their representative does not have English as their first language, they may use the translation service available through the council.

When a person, has received a care needs assessment and has been deemed to have eligible care needs as defined by the Care Act 2014, they will be invited to create a support plan which will detail how their needs are going to be met and any costs involved in meeting those needs. The collective costs identified during the support planning process make up a person's indicative Personal Budget. Once their support plan and indicative budget have

been reviewed and agreed, the person will be informed of their allocated Personal Budget amount.

When a person has eligible care needs, a financial assessment must be carried out. An officer from the Financial Assessment Team will contact the person or their representative to arrange the completion of a Financial Declaration through the [Online Financial Assessment Calculator](#). Completion of the assessment is required to determine the financial contribution a person should contribute towards their personal budget.

When an individual's contribution to their personal budget has been established, it will be applied for the duration of any support plan. The person will be charged from the date that their support starts, and they will be required to contribute unless the following circumstances apply:

- A person is admitted to hospital or there is another absence from home for a period of more than 4 continuous weeks. The authority must be notified by the person or their representative. The contribution towards the cost of the personal budget will be reviewed based on expected change in income such as Attendance Allowance being suspended and whether the care and support is retained, for example keeping a residential room open or a non-residential service open in the expectation that this will resume upon discharge from hospital.
- They or their representative can be shown to have given 72 hours' notice to the relevant care provider that care is not needed on the day or days in question. This will be taken into account in a financial reconciliation
- A person dies, in which case a refund or any balance outstanding will be calculated from the date of death.

If the annual total cost of the personal budget is less than the equivalent annual contribution then the person's contribution shall be adjusted to match the annual value of the personal budget. At the end of the personal budget year, a financial reconciliation will be conducted to ascertain whether the amount the person has been charged exceeds the cost of the services they have received, any difference will be refunded to them.

People are expected to take advantage of all income available to them and assistance to maximise this will be available where needed. This advice will be contained in a notification from the Financial Assessment Team, which will signpost a person to the relevant agency to access the identified additional income. Following benefit maximisation advice, people who elect not to claim entitlement to allowances and benefits will be treated as receiving such income for the purpose of the financial assessment.

The council will consider a financial assessment has been carried out where the following circumstances apply:

- a) The person or representative refuses or does not wish to supply any financial information or fails to supply sufficient financial information, or;
- b) There is additional information available to the council that indicates that their resources are within or outside the financial thresholds set by Government.

Where the above paragraphs apply and the Financial Assessment Team has made two attempts to contact the person or Appointed Representative or anyone acting in their best interests but have not been able to obtain the relevant financial information, it will be

assumed that the person has the means to pay for their needs out of their capital or income. The person will be assessed as being able to pay for the full cost of their care and support from the date that it started. The situation will be reviewed if the person or their Appointed Representative or anyone acting in their best interests, can show good cause for any delay in providing the necessary information. If good cause cannot be demonstrated but the necessary information is subsequently provided, a financial assessment will apply from the relevant day after the necessary information has been provided. Prior to that date, the person will incur the full cost of any care and support provided.

## **Mental Capacity to Manage Finances**

Where a person lacks the mental capacity to manage their finances, they may still be assessed as able to contribute towards the cost of their care. The Council will need to work with someone who has the appropriate authority (e.g Power of Attorney or appointee for benefits) to make financial decisions on behalf of the person.

People who lack the mental capacity to give consent to a financial assessment and who do not have an authorised representative will require the appointment of a deputy for property and financial affairs. Family members can apply for this to the Court of Protection or the Council will consider applying if there is no-one else suitable. The application process can take several months to complete but contributions towards the cost of care will still apply from the date the support commenced. Debt collection procedures will be suspended during this period until such time as a deputy has been appointed, subject to proof of application. The Council will then expect payment of any outstanding charges in full and if necessary, take steps to recover any arrears of charges.

## **Capital Limits**

For the avoidance of doubt, the expression “capital” does not include the value of the person’s home or their share of the beneficial interest in the value of their home if they continue to live in it or its value is disregarded.

The upper capital limit is currently set at £23,250 and the lower capital limit at £14,250.

A person with more than £23,250 in capital, will be deemed to have sufficient resources to purchase their own care, and (unless exceptional circumstances apply) will not qualify for funded support from Shropshire Council.

When a person’s capital falls to, or below £25,000, they may approach the Council to put in place arrangements for financial assistance towards their care costs after their capital reduces to £23,250.

Where a person’s capital is between the lower and upper capital limits a tariff income will be applied to the financial assessment. See [Schedule 5](#). Tariff income assumes that for every £250 of capital or part thereof, between £14,250 and £23,250, a person is able to afford to contribute £1 per week towards the cost of their eligible care needs.

## **Deprivation of Assets**

The financial assessment will need to look across all of a person’s assets – both capital and income. Whilst carrying out the assessment, the Council may identify circumstances that suggest a person has intentionally deprived themselves of income and/or assets in order to reduce or avoid contribution charges. In such cases, the person will be treated as still

possessing the actual capital that he or she has deprived him or herself of and the value included in the financial assessment as notional capital. For further information regarding deprivation of assets and notional capital, refer to [Schedule 4](#).

## **The Non-residential Financial Assessment**

The Regulations require financial assessments for non-residential settings to ensure that the person has a set amount of income from which to meet basic living costs. This is defined as the Minimum Income Guarantee.

Part 2, paragraph 7 of the Care and Support (Charging and Assessment of Resources) Regulations 2014 defines the Minimum Income Guarantee specified according to age, relationship status, and entitlement to welfare benefits. These rates are updated each April by the Department of Health and Social Care. See [Schedule 1](#) for the current rates.

The purpose of the Financial Assessment is to:

- Correctly identify how much the person should contribute towards their personal budget.
- Establish if the person has entitlement to benefits
- Signpost the person to 3<sup>rd</sup> party organisations who could assist them to claim any such benefits
- Identify any permissible additional expenditure which the person may have because of their disability

Where the council identifies and informs the person of any benefit available upon application, it will take that income into account from the date that it has been awarded from, not the date it is paid so will take backdated payments into consideration.

All income that the person receives, or is entitled to on application, will be taken into account, other than that disregarded in Part 4 and Schedule 1 of The Care and Support (Charging and Assessment of Resources) Regulations 2014. See [Schedule 3](#) for more information on the treatment of income.

The Financial Assessment will also take into account Disability Related Expenditure where:

- the person has a current award of a disability-related benefit
- the costs are incurred due to a person's need
- it would be unreasonable to expect a lower cost alternative item or service to be used
- the cost can be verified by receipts/bills/invoice, and;
- Housing costs for which the person is liable for their main or only home, but which are not met by Department for Work and Pensions - or local authority- administered allowances, benefits, or credits. These are specifically:
  - ♦ Mortgage repayment costs
  - ♦ Rent or ground rent
  - ♦ Council tax
  - ♦ Service charges other than those ineligible under Schedule 1 of The Housing Benefit Regulation 2006, and;

If the person is a 'non-householder', housing costs will not be taken into account

- Any tariff income from capital held, which shall be applied as a weekly income in the financial assessment.
- Where the person has a partner and has chosen to provide detail of their partner's income and capital, an amount equivalent to the shortfall between the partner's assessed income and the Minimum Income Guarantee shall be offset against the person's income. This is known as the 'partner disregard'.

For more detailed information regarding Disability Related Expenditure refer to [schedule 2](#).

If the person has a partner, and one of the couple receives a means tested benefit, half of any means-tested income received for them as a couple will also be taken into account. This applies specifically to:

- Income-based Employment and Support Allowance
- Income Support
- Income-based Jobseekers Allowance
- Universal Credit
- Guaranteed Pension Credit

All calculations will be based on weekly income. It is assumed that one-half of any capital and savings held in joint names is available to the person unless the contrary is demonstrated by or on behalf of the person.

If both individuals living in a household are persons receiving a home care service, a financial assessment will be carried out on each person and a separate financial declaration completed for each of them. As well as the disregarded income, half of any housing costs and individual disability related expenditure will be deducted from any assessable income. When assessing allowances for disability related expenditure relating to the home, these will be divided by two if both partners are receiving Council-arranged support. This applies specifically to care alarms, domestic services, gardening, wear and tear in the home, telephone, energy, laundry, and metered water.

The Financial Assessment will be calculated based on a person's income and expenditure. To ascertain whether the person is able to afford the full cost of their care, their capital will be calculated including any notional capital.

The financial assessment for a person's contribution to their personal budget will be calculated according to the following formula:

- The person's income from pensions and/or benefits will be calculated on a weekly basis; and
  - ♦ Any notional income and/or tariff income will be added to the person's weekly income total
- Any disregards will be deducted from the person's weekly income
- The Minimum Income Guarantee will be deducted from the person's weekly income

The result of the calculation will be the person's assessed weekly contribution.



The amount the person is required to pay will be the assessed weekly contribution, or the actual cost of their care, whichever is lower.

## **Review of financial assessments**

A financial assessment will be undertaken at the earliest opportunity to assist with decision making as part of the care and support planning process. The assessment will be subject to regular review to take account of any changes to a person's finances.

The person's contribution will be re-assessed whenever any of the following apply:

- Annually in April following the changes in annual benefit rates
- Following any relevant changes in the person's circumstances or changes in the person's income and capital

It is the person's responsibility, or that of their financial representative, to inform the Financial Assessment Team of any changes in their circumstances that will affect the amount that they contribute to their Personal budget, specifically:

- Changes in income
- Changes to their capital
- Changes in membership of the household
- Moving to other accommodation

Changes are required to be reported to the Team within a month of the date of change. Any change will be effective on the Monday of the week in which the change occurred.

## **Collection of Contributions**

The person will be informed in writing of the weekly assessed contribution. They will be required to contribute this amount, on an ongoing basis subject to any changes notified to the Financial Assessment Team.

Persons not receiving Direct Payments will normally be invoiced every 4 weeks in arrears for their contribution with the following exceptions:

- a) for administrative reasons, the first invoice is delayed, or
- b) when a payment period is adjusted to comply with financial year-end accounting.

Contributions remain payable for each week that a Support Plan is open, irrespective of whether the person receives care and support in that week.

Where a person receives their financial support through a Direct Payment, the assessed contribution will be deducted from the amount Shropshire Council would otherwise pay into the person's direct payment account. The person is required to pay their assessed contribution into the same account.

Failure to pay the assessed contribution into the Direct Payment account may lead to the full amount owed being invoiced, subject to a financial reconciliation.

Any debt accrued through non-payment of assessed contributions may be recoverable as a civil debt in line with the council's debt recovery policy. [Adult Social Care Debt Recovery Policy](#)

## **Discretionary Powers**

Arranging home care services for those who are self-funding is discretionary. If requested to do so, the council will arrange such services, but the council will make a charge to cover the costs they incur in providing this service. More information can be found at our webpage [Paying for your own care](#).

## **Equality, diversity and social inclusion**

The Council is committed to the Equality Act 2010. This Act, together with the Human Rights Act 1998, forms a robust framework of protection for equality, diversity, social inclusion and human rights. More information is available at [Equality, diversity and social inclusion](#).

## **Data Protection & Fraud Prevention**

All data gathered as part of the Financial Assessment process will be kept in accordance with the council's [Data Protection Policy](#). The council is also under a duty to protect the public funds that it administers and, to this end, may also use the information that a person has provided within the council:

- For the prevention & detection of fraud
- To support national fraud initiatives; this may include a persons' information being used in data matching exercises

The council may also share this information with other bodies administering or in receipt of public funds solely for this purpose.

## Schedule 1

### Minimum Income Guarantees (MIG)

In February each year, the Department of Health and Social Care publish a circular detailing the level of Minimum Income Guarantee that local authorities must leave a person with each week. The table below sets out the levels for the financial year 2024 to 2025.

| Single People                                   |   |                          |
|---|---|--------------------------|
| Age of Person                                   | Disability Benefits or other benefit components he/she receives, or would be considered to receive, if entitled to Income Support or Pension Credit | Minimum Income Guarantee |
| n/a   | Responsible for and in the same household as a child  | £101.25                  |
| Under 25  | None  | £87.65                   |
|   | Disability Premium  | £136.45                  |
|   | Disability & Enhanced disability premiums   | £160.30                  |
|   | Carer's Premium   | £140.00                  |
|   | Disability Premium & Carer's Premium  | £188.80                  |
|   | Disability, Enhanced disability & carer's premiums  | £212.65                  |
| Aged 25 or over but under State Retirement Age* | None  | £110.60                  |
|   | Disability Premium  | £159.40                  |
|   | Disability & Enhanced disability premiums   | £183.25                  |
|   | Carer's Premium   | £162.95                  |
|   | Disability Premium & Carer's Premium  | £211.75                  |
|   | Disability, Enhanced disability & carer's premiums  | £235.60                  |
| State Retirement Pension Age*                   | None  | £228.70                  |
|   | Carer's Premium   | £281.05                  |
| One of a couple                                 |   |                          |
| Under State retirement age                      | None  | £86.85                   |
|   | Disability Premium  | £121.65                  |
|   | Disability & Enhanced disability premiums   | £138.80                  |
|   | Carer's Premium   | £139.20                  |
|   | Disability Premium & Carer's Premium  | £174.00                  |
|   | Disability, Enhanced disability & carer's premiums  | £191.15                  |
| State Retirement Pension Age*                   | None  | £174.60                  |
|   | Carer's Premium   | £226.95                  |

\* This is the age at which a person becomes eligible for Pension Credit. It is subject to amendment from central government and is based on a person's date of birth rather than their age. The Government's State Pension age can be checked [here](#).

## Schedule 2

### Disability Related Expenditure (DRE)

Disability related expenditure can be considered when the individual is in receipt of the care component of DLA or the care component of PIP or Attendance Allowance.

Where a service is made up of different elements, we will only consider costs for the part(s) that meet a disability-related need. For example: Hairdressing – we will allow a claim for the cost of hair washing if the individual's disability prevents them doing this themselves, but not the cost of cutting/styling as most people pay for this.

To support a claim for disability related expenditure, receipts and/or invoices and bank statements should be provided to evidence the actual cost and how often these expenses are incurred.

This schedule sets out the allowances and thresholds for the most common disability related expenditure for non-residential care. Unless otherwise indicated, thresholds and allowable weekly rates have changed in line with the Consumer Price Index i.e. an increase of 6.7% from 8 April 2024.

Any requests for additional disability related expenditure will be based on the individual's circumstances and the following will be taken into consideration:

- Does the individual have to pay more for a service or item due to their disability?
- Is the expense specifically linked to the individual's needs or would it be incurred irrespective of these?
- Is the cost reasonable and can it be verified?
- Is the need identified in the support plan?

| <b>DRE item</b>                       | <b>Basis of disregard</b>  | <b>Evidence Required</b>                               | <b>Maximum or standard allowable weekly rate</b> |
|---------------------------------------|--|--|--|
| <b>Care Alarm</b>                     | Necessary housing cost if living in supported/sheltered housing. Cost if not included in Housing Benefit or Supporting People Grant.   | Last two payments or invoices                          | <b>Actual cost</b>                               |
| <b>Privately bought personal care</b> | Actual cost, if social care practitioner confirms this as a requirement to meet the person's eligible care needs and the Shropshire Council support is reduced accordingly. No disregard for payments made to any carer who is a | Signed receipts or invoices covering at least 4 weeks. | <b>Actual cost</b>                               |

|  |  |  |               |
|--|--|--|---------------|
|  | close relative of the person.<br>If payments made to carer receiving Carer's Allowance or Carer's Premium, any such payments will not be accepted as expenditure, as carer is receiving state funding.   |  |               |
| <b>Domestic services</b>                                       | Actual cost, if social care practitioner confirms as a reasonable addition to the Care Plan and no one else in the household can carry out task.<br>Maximum allowance is based on 2 hours of support per week at the National Living Wage of £11.44 an hour  | Signed receipts or invoices covering at least 4 weeks.   | <b>£22.88</b> |
| <b>Gardening</b>   | Actual cost if the person is unable to care for the garden due to disability and no one else in the household is able to do so. Essential work only.<br><i>The expense is presumed to occur over the growing seasons of 39 weeks (9 months) only, but is averaged over the year. It is based on 2 hours a week at the National Living Wage of £11.44 an hour</i> | Signed receipts for at least 4 weeks using a proper Receipt Book or a Shropshire Council Form.                             | <b>£17.11</b> |
| <b>Dietary Requirements (food and non-alcoholic beverages)</b> | Discretionary as special dietary needs may not be more expensive than normal. Identify average spend per week and any additional costs due to disability rather than personal preference.  | 4 weeks till receipts<br><br>We may request medical evidence from the customer and details of special purchases.           | <b>£8.75</b>  |
| <b>Clothing and Footwear</b>                                   | Evidence required for additional spend – large items such as special shoes/boots will be averaged out over a year. We do not allow for personal preferences for more expensive items.  | 2 months receipts<br>Last receipt for large items<br>Reference within the Care Plan to abnormal wear and tear of clothing. | <b>£3.59</b>  |

|                                  |   |   |                                   |
|----------------------------------|---|---|-----------------------------------|
|                                  | A clothing allowance is available with the War Disablement Pension, which recognises extra wear and tear caused through incontinence and the use of an artificial limb. If this is received, it is netted off against identified extra costs. |   |                                   |
| <b>Wear and Tear in Home</b>     | Any extra costs resulting from a disability such as wheelchair wear on carpet or behavioural difficulties, high level of breakages  | 12 months previous payments pro rata to weekly amount   | <b>£3.59</b>                      |
| <b>Prescription Costs</b>        | If not eligible for free prescriptions, then the weekly equivalent of the cost of annual prepayment certificate, currently £114.50 for 2024/25.<br><br><b>Note patients over 60 are exempt from these charges.</b>                            | Latest prescription information/prepayment card   | <b>£2.22</b>                      |
| <b>Land line or mobile phone</b> | A contribution to the usage, as most of the time phones are not used for emergencies  | Ownership of a phone  | <b>£1.81</b>                      |
| <b>Wheelchair maintenance</b>    | The cost of maintaining a privately owned wheelchair, including insurance. No allowance is made if the equipment is provided free, e.g. by NHS or charity.  | Manual<br><br>Electric  | <b>£5.05</b><br><br><b>£12.26</b> |
| <b>Metered Water</b>             | Costs over and above these that can be identified as disability related expenditure, with reasons:<br><br>Flat/ terraced House<br>Semi-detached<br>Detached   | Last 2, 6 monthly bills required or evidence of direct debit<br><br>Threshold £8.01 pw<br>Threshold £9.44 pw<br>Threshold £11.51 pw | <b>£2.01</b>                      |

|  |  |  |   |
|--|--|--|---|
| <b>Laundry</b>   | Evidence of excess washing – additional washing machines, known continence problems, obsessive compulsive disorders. The numbers of extra loads over 4 per week per person in household.<br>Reasonableness to be checked with Care Manager.  | 5 or more loads<br><br><b>Transitional protection for Persons first assessed before 9 April 2012</b><br>9-12 loads<br>13 or more loads   | <b>£4.86</b><br><br><br><b>£6.15</b><br><b>£9.25</b>  |
| <b>Bedding</b>   | This should be covered by NHS provision if for continence/night-time sweat issues. Actual spend over last 12 months including mattress protectors, new bedding. Protected mattress expected to last 8 years. Confirmation of whether extra costs of incontinence should be provided by Health to be checked with care manager. To include mattress and bedding   |  | <b>£4.14</b>  |
| <b>Energy (electricity, gas, oil etc. – heating, lighting and cooking)</b> | Additional costs because of disability - e.g. need to regulate body temperature. The additional cost must be related to a medical need – no allowance is made for high heating costs without this.<br><br>Single in flat/terraced house/bungalow<br>Couple in flat/terraced house/bungalow<br>Single in semi detached<br>Couple in semi detached<br>Single in detached<br>Couple in detached<br><br>Additional allowance if no mains gas and using fuel oil. | Monthly standing order or direct debit to utility company, or last two bills<br><br>Threshold<br><br>£74.39<br>£98.05<br>£79.02<br>£103.84<br>£96.22<br>£126.70<br><br>This allowance only applies if total energy costs exceed the above thresholds | <b>The amount by which fuel costs exceed energy costs in column opposite up to a maximum of:</b><br><br><br><br><br><br><br><b>£11.83</b><br><br><br><br><br><br><br><b>£5.63</b> |

|                  |   |   |  |
|------------------|---|---|--|
| <b>Transport</b> | <p>This will apply to costs not included in any Support Plan. Only costs incurred as a result of disability – over and above the amount of DLA mobility allowance will be considered.</p> <p>If mobility allowance received a presumption is made that there are no additional transport costs unless evidenced and with suitable reason agreed with care manager.</p> <p>If no mobility, then all to be evidenced with both receipt and reason for transport. Ordinary day-to-day transport costs e.g. for shopping are not taken into account unless specialist transport is required.</p> <p>Allowable expense is net of the cost of the same journey by the cheapest available public transport.</p> <p>Day centre transport charges are to be allowed as DRE if over and above any DLA or PIP mobility component and not included in a Support Plan.</p> | Where applicable, HMRC mileage rates will be used | <b>£16.52</b>  |
| <b>Equipment</b> | <p>The life span for most items is considerable. The Council will take into account annual maintenance costs.</p> <p>Purchases will be looked at on an individual basis. The Council will take into account any contributions to purchase, e.g. grants, charitable payments.</p> <p>Items provided free of charge will not be considered.</p> <p>Items over 5 years old will not be taken into account.</p>   | <p>Date of purchase</p> <p>Cost of item</p>       | <b>The cost of the item or items, divided by 250. This figure is based on the treatment of capital under Income Support regulations.</b> |



## Schedule 3

### Treatment of Income

The level of charge will be determined by the amount of income being received by the Service User, and if applicable, any received by a partner on their behalf. If the Service User has capital above £14,250, any tariff income calculated in accordance with [Schedule 5](#), shall be added to that income.

### Disregarded Income

Any income described in Part 1 of Schedule 1 of the Care and Support (Charging and Assessment of Resources) Regulations 2014 shall be disregarded

These amounts include the following:

| INCOME WHICH ATTRACTS AN EXEMPTION AMOUNT   |
|---|
| <p>The first £10 per week of the following will not be charged against:</p> <ul style="list-style-type: none"><li>▪ War Widows and War Widowers pension,</li><li>▪ Survivors Guaranteed Income Payments from the Armed Forces Compensation Scheme,</li><li>▪ Civilian War Injury pension,</li><li>▪ Any War Disablement pension paid to non-veterans and</li><li>▪ Payments to victims of National Socialist persecution (paid under German or Austrian law)</li></ul>  |
| INCOME WHICH WILL NOT BE CHARGED AGAINST  |
| <ul style="list-style-type: none"><li>▪ All earnings from employment</li><li>▪ Any partner's earnings</li><li>▪ Armed Forces Independence Payments and Mobility Supplement</li><li>▪ Guaranteed Income Payments made to veterans under the Armed Forces Compensation Scheme</li><li>▪ Payments made to veterans under the War Pension Scheme with the exception of Constant Attendance Allowance</li><li>▪ Payments received as a holder of the Victoria Cross, George Cross or equivalent</li><li>▪ Gallantry Awards</li><li>▪ Discretionary Trust</li></ul> |

- Savings Pension Credit up to £6.95 per week for a single qualifying Service User and up to £10.40 per week for one of a couple
- Income frozen abroad
- Income in kind
- Disability Living Allowance - Mobility Component
- Personal Independence Payment - Mobility component
- Payments made by the Local Authority under Child Care legislation
- Payments from the Social Fund and Local Support and Prevention Fund
- War Widow's and Widower's special payments
- Council Tax Reduction Schemes where this involves a payment to the person
- Guardian's Allowance
- Christmas Bonus
- Grants or loans paid for the purposes of education and payments made in relation to training for employment
- Dependency increases paid with certain benefits
- Child Support Maintenance Payments and Child Benefit (except where the accommodation in which the adult and child both live is arranged under the Care Act)
- Child Tax Credit
- Pensioners Christmas payments
- Personal injury trust, including those administered by a Court
- Resettlement benefit
- Payments from Macfarlane Trust; Macfarlane (Special Payments) Trust; Macfarlane (Special Payment) (No 2) Trust; Caxton Foundation; The Fund (payments to non-haemophiliacs infected with HIV); Eileen Trust; MFET Limited; Independent Living Fund (2006); Skipton Fund; London Bombings Relief Charitable Fund; Scottish Infected Blood Support Scheme; London Emergencies Trust; an approved blood scheme (approved by the Secretary of State); We Love Manchester Emergency Fund
- Payments made by the Post Office or the Secretary of State for the purpose of providing compensation or support in connection with the failings of the Horizon system

- Payments made under the Windrush Compensation Scheme (Expenditure) Act 2020
- Payments from the scheme established or approved by the Secretary of State for the purpose of providing compensation in respect of historic institutional child abuse in the UK
- Any payment made under the Vaccine Damage Payments Act 1979
- Payments made for the purpose of providing compensation or support in respect of the fire on 14 June 2017 at Grenfell Tower
- Any payment from the Victims of Overseas Terrorism Compensation Scheme established by the Ministry of Justice in 2012 under section 47 of the Crime and Security Act 2010

## **Schedule 4**

### **Capital Limits**

For the financial year 2024 to 2025 the capital limits have been determined as:

Upper capital limit: £23,250

Lower capital limit: £14,250

### **Treatment of Capital**

A person with assets above the upper capital limit will be deemed to be able to afford the full cost of their care. Capital is the total amount of money and items with a monetary value that a person owns. Examples of which are:

- a) Property
- b) Land
- c) National Savings Certificates and Ulster Savings Certificates
- d) Premium bonds
- e) Stocks and shares
- f) Capital held by the Court of Protection or a Deputy appointed by that Court
- g) Trust funds
- h) Savings held in
  - ♦ Building society accounts
  - ♦ Bank accounts
  - ♦ SAYE schemes
  - ♦ Unit trusts
  - ♦ Co-operatives share accounts
  - ♦ Cash

Any monies received as income becomes capital at the end of the period to which the income relates e.g. where a person is paid monthly, any money they have left at the start of the next month, becomes capital

### **Tariff Income**

A person with capital between the lower and upper capital limits, will be deemed as able to make a contribution, known as a tariff income from their capital. The tariff income will be assumed at the rate of £1 per week for every £250 of capital between the minimum and maximum capital limits. The tariff income rates are shown on [Schedule 5](#).

### **Disregarded Capital**

Capital listed in [Annex B of the Care and Support Statutory Guidance](#) and any capital below the lower capital limit will be disregarded in the assessment.

In addition, any compensation payments made under [The Armed Forces and Reserve Forces Compensation Scheme Order 2011](#) will also be disregarded. All other capital will be taken into account in the Financial Assessment.

## Deprivation of Capital

Where the Council believes that there is sufficient evidence to the effect that a person has deprived themselves of any income or capital to avoid payment of charges, the person will be assessed as retaining that capital. In such cases it will be for the Council to demonstrate that a significant reason for the disposal of such capital was to obtain financial assistance from the Council.

Common approaches that suggest deprivation of income are;

- A person has failed to apply for an available income, such as a means-tested benefit or allowance.
- A person has given away or sold the right to an income from an occupational pension

Common approaches that suggest deprivation of capital are:

- a lump-sum payment to someone else, for example as a gift
- substantial expenditure has been incurred suddenly and is out of character with previous spending
- the title deeds of a property have been transferred to someone else
- assets have been put into a trust that cannot be revoked
- assets have been converted into another form that would be subject to a disregard under the financial assessment, for example personal possessions
- assets have been reduced by living extravagantly, for example gambling
- assets have been used to purchase an investment bond with life insurance

In all such cases, it is up to the service user to prove to the council that they no longer possess an income or an asset. Acceptable evidence of disposal of capital assets would be:

- (a) a trust deed
- (b) deed of gift
- (c) receipts for expenditure
- (d) proof that debts have been repaid

Failure to provide this evidence will result in the Council treating the individual as though they possess the income and/or asset. The value of the income and/or asset will be treated as notional income or notional capital in their financial assessment. Therefore in the assessment the figure used for the person's income would be their actual income plus notional income and/or the capital figure used in their assessment will be the total of their actual capital plus notional capital. The value of notional capital will be reduced over time.

If, subsequently, the Service User either provides the missing information or can demonstrate that the decision is incorrect, then the charge will be returned to the appropriate amount and any overcharges will be refunded.

## Schedule 5

### Tariff income

The weekly tariff income will be calculated on the following total capital amount a Person holds at the point of the financial assessment. This amount is £1 per week for every £250 (or part thereof) a person has above £14,250.00, up to £23,250. Above that amount the person will be considered as being able to fund his or her own care.

| Amount of Capital |            | Tariff Income |
|-------------------|------------|---------------|
| From              | To         |               |
| £14,250.01        | £14,500.00 | £1.00         |
| £14,500.01        | £14,750.00 | £2.00         |
| £14,750.01        | £15,000.00 | £3.00         |
| £15,000.01        | £15,250.00 | £4.00         |
| £15,250.01        | £15,500.00 | £5.00         |
| £15,500.01        | £15,750.00 | £6.00         |
| £15,750.01        | £16,000.00 | £7.00         |
| £16,000.01        | £16,250.00 | £8.00         |
| £16,250.01        | £16,500.00 | £9.00         |
| £16,500.01        | £16,750.00 | £10.00        |
| £16,750.01        | £17,000.00 | £11.00        |
| £17,000.01        | £17,250.00 | £12.00        |
| £17,250.01        | £17,500.00 | £13.00        |
| £17,500.01        | £17,750.00 | £14.00        |
| £17,750.01        | £18,000.00 | £15.00        |
| £18,000.01        | £18,250.00 | £16.00        |
| £18,250.01        | £18,500.00 | £17.00        |
| £18,500.01        | £18,750.00 | £18.00        |
|                   |            |               |

| Amount of Capital |              | Tariff Income |
|-------------------|--------------|---------------|
| From              | To           |               |
| £18,750.00        | £19,000.00   | £19.00        |
| £19,000.01        | £19,250.00   | £20.00        |
| £19,250.01        | £19,500.00   | £21.00        |
| £19,500.01        | £19,750.00   | £22.00        |
| £19,750.01        | £20,000.00   | £23.00        |
| £20,000.01        | £20,250.00   | £24.00        |
| £20,250.01        | £20,500.00   | £25.00        |
| £20,500.01        | £20,750.00   | £26.00        |
| £20,750.01        | £21,000.00   | £27.00        |
| £21,000.01        | £21,250.00   | £28.00        |
| £21,250.01        | £21,500.00   | £29.00        |
| £21,500.01        | £21,750.00   | £30.00        |
| £21,750.01        | £22,000.00   | £31.00        |
| £22,000.01        | £22,250.00   | £32.00        |
| £22,250.01        | £22,500.00   | £33.00        |
| £22,500.01        | £22,750.00   | £34.00        |
| £22,750.01        | £23,000.00   | £35.00        |
| £23,000.01        | £23,250.00   | £36.00        |
| £23,250.01        | Self-funding |               |



**Committee and Date**

**Cabinet**  
**11<sup>th</sup> June 2025**

Item

Public



## Application by Bayston Hill Parish Council for Bayston Hill Parish to be considered as a Neighbourhood Area

|   |  |  |
|---|--|--|
| <b>Responsible Officer:</b>               | Tim Collard, Service Director for Legal and Governance                           |  |
| email:                                    | <a href="mailto:Tim.collard@shropshire.gov.uk">Tim.collard@shropshire.gov.uk</a> |  |
| <b>Cabinet Member</b> (Portfolio Holder): | David Walker   |  |

### 1. Synopsis

This report seeks approval for the application by Bayston Hill Parish Council for the Parish area of Bayston Hill to be considered as a Neighbourhood Area for the purposes of preparing a Neighbourhood Development Plan.

### 2. Executive Summary

2.1 It is Shropshire Council's role to decide if the proposed Neighbourhood Area is an appropriate area for the purposes of preparing a Neighbourhood Development Plan (referred to in this report as Neighbourhood Plan). The recommendation focuses solely on the extent of the area to be used in the preparation of the proposed Neighbourhood Plan. This recommendation does not deal with the proposed content of the Neighbourhood Plan, which are issues to be considered by Bayston Hill Parish Council in cooperation with Shropshire Council in due course. The application is attached as Appendix A, and the proposed area map as Appendix B. It is considered the identification of the Bayston Hill Parish area as a Neighbourhood Area responds positively to the Shropshire Plan's objectives, in

particular the meeting the ambition improve the health of Shropshire's economy and environment.

### 3. Recommendations

- 3.1. That Cabinet agree the designation of the proposed Neighbourhood Area identified on the map in Appendix B, covering the Parish of Bayston Hill as an appropriate basis for the development of a Neighbourhood Development Plan and notifies Bayston Hill Parish Council accordingly.

## Report

### 4. Risk Assessment and Opportunities Appraisal

- 4.1. The power to designate a Neighbourhood Area is exercisable under Section 61G of the Town and Country Planning Act 1990 ("the Act"). Under Regulation 5(1) of The Neighbourhood Planning (General) Regulations 2012 an Area Application must include a map that identifies the area to which the application relates and a statement to explain why the area is considered appropriate to be designated as a Neighbourhood Area and that the body is in fact a "relevant body" for the purposes of Section 61 G(2) of the Act. Bayston Hill Parish Council is a relevant body for the purposes of the Act.
- 4.2. The relevant material (Area Application and Area Map included as Appendix A and B to this report) was received by Shropshire Council on 4 April 2025 and as stated under Regulation 5(1) of The Neighbourhood Planning (General) Regulations 2012, public consultation is not required as the area for designation relates to the full parish area.
- 4.3. In determining the application Shropshire Council must have regard to the desirability of designating the whole of the parish area as a Neighbourhood Area and the desirability of maintaining the existing boundaries of areas already designated as neighbourhood areas. In the event the designation is approved, it will be published on the Council's website. If the designation is refused under Section 61G (9) of the Act, reasons must be given and the decision publicised in accordance with Regulation 7 of the Regulations. It is considered there is significant risk to the Council of not agreeing to the Bayston Hill Parish Area as a Neighbourhood Area without sound rationale.
- 4.4. The designation of an appropriate area for a Neighbourhood Plan is to confirm the geographic area the Plan will cover. This does not set policies to be contained in the Neighbourhood Plan, or the thematic scope of that Plan. Indeed, and importantly, the designation of a Neighbourhood Area does not commit the Parish or Town Council to producing or completing a Neighbourhood Plan. It is, however, a first important step in the process of preparing a Neighbourhood Plan and required by regulations.
- 4.5. When approved, Neighbourhood Plans form part of the statutory development plan for the area. The statutory framework covering the production of neighbourhood



plans is therefore quite prescriptive and there is little risk for either Shropshire Council or Bayston Hill Parish Council in following this carefully. However, it is important that a high degree of trust and cooperation between the Councils is maintained in order to reduce any risk of inconsistency and conflict between the Neighbourhood Plan and those other parts of the Development Plan prepared by Shropshire Council.

- 4.6. Shropshire's statutory Development Plan will be an important and ongoing consideration in the context of any Neighbourhood Plan prepared for the Bayston Hill Parish Council area. At present the Core Strategy and Site Allocations and Management of Development (SAMDev) Plans (2006-2026) represent the Countywide adopted Development Plan. In response to the Inspectors' soundness concerns, the Draft Local Plan Review (2016-2036) will now be withdrawn from examination, subject to a decision of Council in July. Shropshire Council have now been required to set out a timeframe for a further Local Plan review, with work commencing in January 2026 on a 30 month timetable, with adoption scheduled in mid 2028. The timeframe of the future Local Plan is likely to be 2025 to 2045.
- 4.7. A Neighbourhood Plan will, after passing through the relevant stages of consultation, submission, examination and the referendum, go on to become part of the statutory Development Plan for the area. By definition, the Neighbourhood Plan should be a product of the community and as such will contain policies that, whilst in general conformity with other elements of the Development Plan, should have their own distinct character. The degree of scrutiny to be applied to a Neighbourhood Plan through its examination process is dependent upon the scope of the plan, and it will continue to be particularly important for appropriate evidence to be produced to inform the Neighbourhood Plan. Statute provides that planning applications should be determined in accordance with the provisions of relevant Development Plan policies unless material considerations indicate otherwise. The weight given to the Plan thus remains to be balanced with other considerations when taken in the round by decision makers.

#### 4.8. Risk table

| <i>Risk</i>  | <i>Mitigation</i>  |
|--|--|
| Risk of non compliance with Regulations 5, 6 and 7 of The Neighbourhood Planning (General) Regulations 2012. | <p>Complying with the regulations by:</p> <ol style="list-style-type: none"> <li>1) including with the Area Application a map that identifies the area to which the application relates and a statement to explain why the area is considered appropriate to be designated as a Neighbourhood Area and that the body is in fact a "relevant body" for the purposes of Section 61 G(2) of the Act;</li> <li>2) not carrying out a public consultation as this is not required as the area for designation relates to the full parish area; and</li> <li>3) having regard to the desirability of designating the whole of the parish area as a Neighbourhood Area and the desirability of</li> </ol> |

|  |   |   |
|--|---|---|
|  |   | maintaining the existing boundaries of areas already designated as neighbourhood areas. |
|  | Risk of inconsistency and conflict between the Neighbourhood Plan and those other parts of the Development Plan prepared by Shropshire Council. | Maintain a high degree of trust and cooperation between the Councils.                   |

## 5. Financial Implications

- 5.1. Shropshire Council continues to manage unprecedented financial demands as budgeted for within the Medium Term Financial Strategy approved by Council on 27 February 2025 and subsequent updates. It is also addressed in our monitoring position presented to Cabinet on a monthly basis. Significant management action has and continues to be undertaken to ensure the Council's financial survival. While all reports provide the financial implications of decisions being taken, this may change as officers review the overall financial situation and make decisions aligned to financial survivability. Where non-essential spend is identified within the Council, this will be reduced. This may involve
- scaling down initiatives,
  - changing the scope,
  - delaying implementation, or
  - extending delivery timescales.
- 5.2. The Localism Act and Regulations provide that the following costs would fall to Shropshire Council: delivering a supporting role particularly in the latter stages of the Plan's development; appointing an Examiner for the Plan; and conducting an Examination and holding a Referendum. Current provisions allow an application for these additional costs to be met, and a reimbursement of costs will therefore be sought from Central Government. It is considered likely the robustness of the Neighbourhood Plan policies will be tested over time by independent Planning Inspectors on planning appeals made under Section 78 of the Act. Members are advised that the liability for future appeal costs rests with Shropshire Council as Local Planning Authority and as such the usability of such plans and their impact on local decision making will need to be carefully monitored.

## 6. Climate Change Appraisal

- 6.1. The designation of the Bayston Hill Neighbourhood Area allows the important first step in the preparation of a Neighbourhood Plan for the parish of Bayston Hill. Whilst at this stage the contents of the Plan are not known and will be subject to the objectives led by Bayston Hill Parish Council in consultation with their communities, it does present an opportunity to explore additional development management policies for the local area, which could respond to the ongoing need to reduce energy and fuel consumption, generate renewable energy, offset and mitigate carbon emissions and adapt to the impacts of climate change. Any new

development management policies would need to show how they are deliverable and ensure development remains viable.

## 7. Background

- 7.1. Shropshire Council fully supports the principle of areas seeking to develop their own Neighbourhood Plans to supplement and complement the wider policies of the Development Plan. The Government's National Planning Policy Framework (NPPF) supports the principle of Neighbourhood Plans and their status as part of the Development Plan. The NPPF states "Neighbourhood plans should support the delivery of strategic policies contained in local plans or spatial development strategies; and should shape and direct development that is outside of these strategic policies". It is also made clear that Neighbourhood Plans should not promote less development than set out in the strategic policies for the area or undermine those strategic policies.
- 7.2. The development of a Neighbourhood Plan must be facilitated by the Town or Parish Council and will, in most cases, proceed with support and assistance from volunteers across the community. It is recommended that Bayston Hill Parish Council begin early consultation with their communities and seek to agree in principle grant funding from Locality - the national organisation overseeing funding and technical support to Neighbourhood Plans on behalf of the Department for Levelling Up, Housing and Communities.
- 7.3. In due course and as part of the Neighbourhood Plan preparation process, Shropshire Council will consider whether the Bayston Hill Neighbourhood Plan conforms to the adopted strategic policies of the wider Development Plan as part of ongoing cooperation between the Councils and as part of formal consultation responses. Ultimately, the Neighbourhood Plan will be subject to an independent assessment and will need to meet a number of mandatory 'basic conditions' set out in legislation.

## 8. Additional Information

- 8.1. Shropshire Council officers have had early discussions with representatives from Bayston Hill Parish Council, specifically to discuss the extent of the proposal and to further understand the rationale for the area proposed.
- 8.2. Having had these early discussions, it is considered the proposed area, which accords with the parish boundary, is appropriate for the purposes of preparing a Neighbourhood Plan and that the proposed Neighbourhood Plan can therefore offer the opportunity to deliver some additional value through the preparation of locally relevant planning policies to support the delivery of appropriate development, whilst continuing to be in conformity with the strategic policies of the Local Plan.
- 8.3. Bayston Hill Parish Council must seek to ensure the future sustainable development of the settlement by providing detailed planning policies for their area. Whilst the exact scope and remit of the Neighbourhood Plan is to be discussed, at this stage it is clear there is an understanding from the Parish

Council as to the general role of the Neighbourhood Plan and the type of policies it is likely to introduce. Further discussions will help to clarify this. In addition, it should be recognised that in line with national regulations on Community Infrastructure levy (CIL), areas with adopted ('made') Neighbourhood Plans in place, receive 25% CIL Neighbourhood Funds (uncapped) from CIL liable development in its area after the Plan's adoption, compared with 15% (capped) in non-Neighbourhood Plan areas.

## 9. Conclusions

- 9.1. Bayston Hill Parish Council has indicated they wish to prepare a Neighbourhood Plan for their whole Parish area. It is the officer recommendation to proceed with agreeing the parish as a Neighbourhood Area, and that there are no appropriate reasons not to do so.
- 9.2. This report only seeks to agree the Parish as a Neighbourhood Area. It does not cover any matters of content of a Neighbourhood Plan for the area, and it is fully acknowledged this is a responsibility of Bayston Hill Parish Council to lead. However, it does identify the ongoing need for Council officers, where appropriate, to work collaboratively with Bayston Hill Parish Council on the preparation of a Neighbourhood Plan and sets out the regulatory requirements of Shropshire Council within this process.

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

None

**Local Member:**

Councillor Teri Trickett

### Appendices

Appendix A – Application from Bayston Hill Parish Council

Appendix B – Map of Designated Area



**Application to designate a Neighbourhood Area**  
**Town and Country Planning Act 1990**  
**Neighbourhood Planning (General) Regulation 2012 Part 2 (5) (1)**

**Clerk details**

Name: Julie Hodgkiss

Address: The Parish Office, Lyth Hill Road, Bayston Hill, SY3 0EW

Email: [clerk@baystonhillparishcouncil.org.uk](mailto:clerk@baystonhillparishcouncil.org.uk)

Tel no.: 01743 874 651

**Relevant body:**

We confirm that we are the relevant body to undertake neighbourhood plan in our area in accordance with section 61G of the 1990 Act and section 5C of the 2012 Regulations. Bayston Hill Parish Council resolved to develop a plan for the neighbourhood area at a council meeting on 31<sup>st</sup> March 2025.

**Name of Council**

Bayston Hill Parish Council

**Extent of the area:**

Whole Parish boundary area – please see map attached.

**Justification statement:**

Bayston Hill Parish Council has resolved to develop a Neighbourhood Plan for the Parish of Bayston Hill. The reason for this are:

With the Shropshire Draft Local Plan being withdrawn and the likelihood of a new Local Plan being approved before the current Local Plan expires at the end of 2026 the Parish Council feels that it is important to have a neighbourhood Plan in place.

This is to ensure that we can influence how future developments take place in the Parish and that we do not become absorbed into Meole Brace/Shrewsbury and lose our identity.

The Council also wants to ensure that all aspects of village life can be considered by this plan to ensure that the health and wellbeing of all residents is catered for, that we have a sustainable Local Nature Recovery Strategy in place and that the village can be a vibrant and affirming place for our young people.

Name: Julie Hodgkiss

Position: Clerk

Signature:



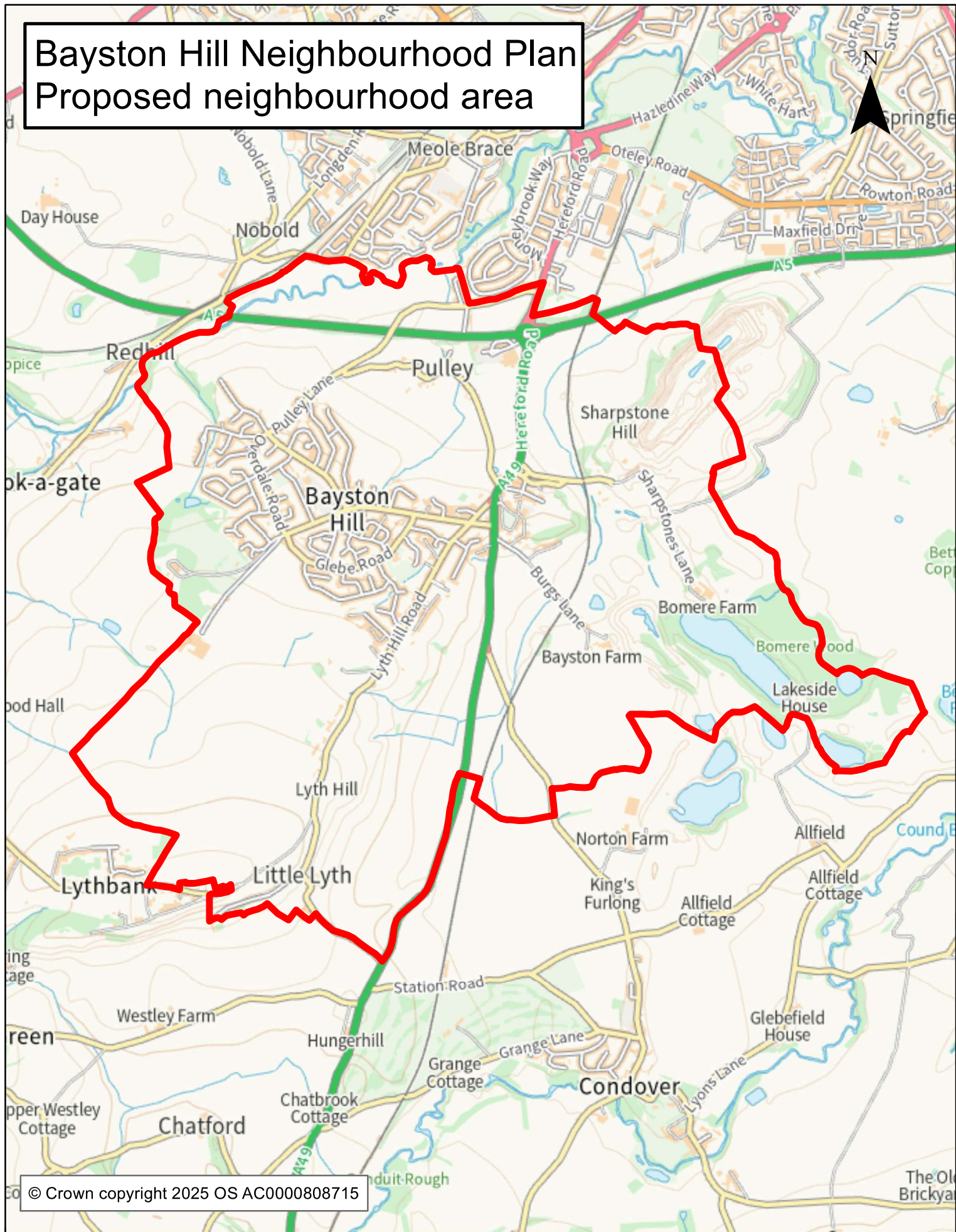
Date:

4<sup>th</sup> April 2025



# Bayston Hill Neighbourhood Plan

## Proposed neighbourhood area



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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