



Committee and Date  
Audit Committee  
31<sup>st</sup> July 2020

Item

## FINANCIAL OUTTURN 2019/20

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### 1. Summary

- 1.1 This report provides details of the revenue and capital outturn position for Shropshire Council for 2019/20 and provides a summary of:
- The revenue outturn for each service area with a commentary of the main variations and an outline of how the position has changed since Quarter 3.
  - The movements in the Council's General Fund balance.
  - The Council's reserves and provisions.
  - The capital outturn for each service area with a commentary of the main variations and the budget slipped for 2019/20.
- 1.2 The Council's controllable revenue position for 2019/20 has deteriorated by £0.159m when compared with projections made at Quarter 3, resulting in a net controllable overspend of £1.692m, which represents a variance of 0.3% on the gross budget.
- 1.3 The outturn on non-controllable insurance is an underspend of £0.041m. When deducted from the controllable overspend, the total outturn adjustment to the general fund is a reduction in the fund of £1.651m.
- 1.4 The outturn capital expenditure for 2019/20 is £59.149m, representing 83% of the re-profiled budget of £70.982m. All £11.773m of this underspend has been carried forward to the 2020/21 programme.

### 2. Recommendations

It is recommended that Members:

- A. Note that the outturn for the revenue budget for 2019/20 is a controllable overspend of £1.692m. This represents 0.3% of the original gross budget of £568.489m.
- B. Note that had £0.460m of the Council's General Fund not been applied in response to the Storm Dennis emergency event, and had £0.387m Coronavirus funding not been applied to revenue at year end, the controllable outturn position would have been an overspend of £2.539m.

- C. Note that the level of the General Fund balance after adjusting for the outturn overspend and insurance position stands at £13.510m, which is significantly below the recommended level.
- D. Note that the outturn for the Housing Revenue Account for 2019/20 is an underspend of £4.106m and the level of the Housing Revenue Account reserve stands at £10.140m (2018/19 £9.813m).
- E. Note the increase in the level of Earmarked Reserves and Provisions (excluding delegated school balances) of £1.931 in 2019/20 and the reasons for this.
- F. Note that the level of school balances stand at £1.891m (2018/19 £4.178m).
- G. Approve net budget variations of £9.710m to the 2019/20 capital programme, detailed in Appendix 5 / Table 11 and the re-profiled 2019/20 capital budget of £70.982m.
- H. Approve the re-profiled capital budgets of £127.309m for 2020/21, including slippage of £11.773m from 2019/20, £89.835m for 2021/22 and £103.110m for 2022/23 as detailed in Appendix 5 / Table 15.
- I. Accept the outturn expenditure set out in Appendix 5 of £59.209m, representing 83% of the revised capital budget for 2019/20.
- J. Approve retaining a balance of capital receipts set aside of £19.619m as at 31<sup>st</sup> March 2020 to generate a one-off Minimum Revenue Provision saving of £0.693m in 2020/21.

## REPORT

### **3. Risk Assessment and Opportunities Appraisal**

- 3.1 Details of the potential risks affecting the balances and financial health of the Council are detailed within the report. Each variation from budget is also RAG rated to confirm the level of risk to the Council's balances.

### **4. Financial Implications**

- 4.1 This report is based on the financial outturn of the Council's revenue and capital budget for 2019/20 and therefore considers the effect that the overspend has on the Council's balances.

### **5. Background**

- 5.1 Cabinet has received quarterly monitoring reports on the revenue and capital budget during the course of the year. This has meant that management action has been taken to reduce the forecast overspend position as budget pressures have arisen. However the scale of budget pressures and unachieved savings within the year, combined with emergency events that took place within Q4, have meant that officers have been unable to reduce the overspend position to nil.

### **6. Revenue Outturn Position**

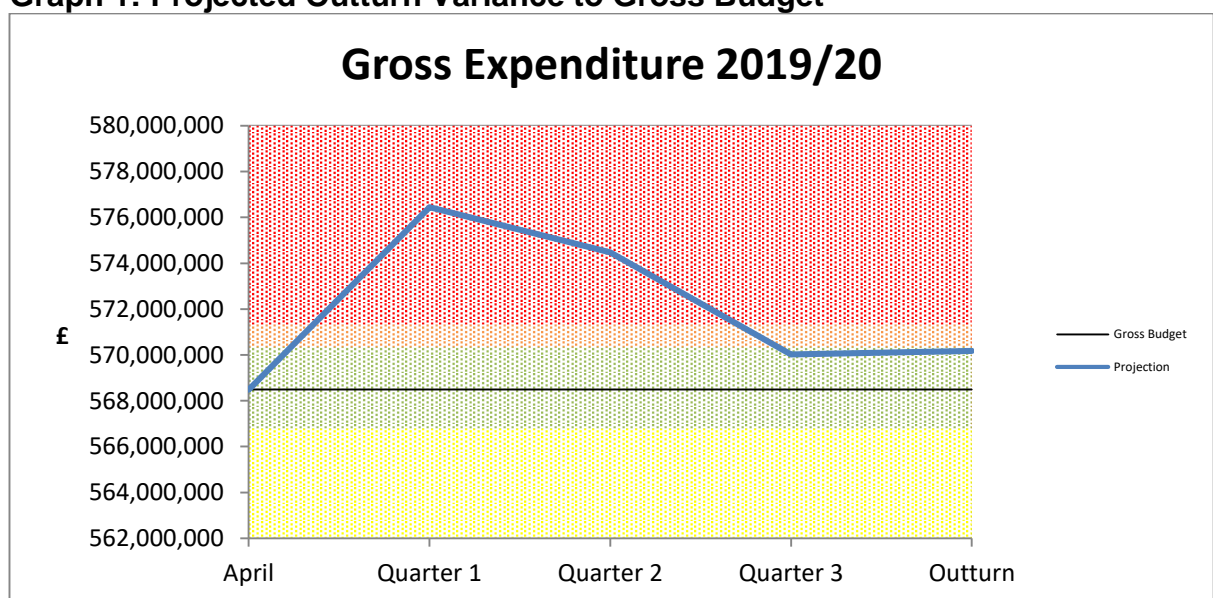
- 6.1 The final outturn for 2019/20 shows net controllable revenue expenditure of £215.530m and a controllable overspend of £1.692m. The overall position for service areas is detailed in Table 1 below.

**Table 1 – Final Controllable Outturn**

|   | <b>£'000</b> |
|---|--------------|
| Net Budget                                | 213,839      |
| Controllable Outturn for 2019/20          | 215,530      |
| <b>Controllable Overspend for 2019/20</b> | <b>1,692</b> |

6.2 The forecast year end position for the Council is revised each Quarter (monthly for Directors) and reported using the graph below. The area of the graph banded green shows the extent of variance from the budget that can be seen as reasonable given the size and complexity of the Council’s budget. The outturn overspend of £1.692m is narrowly falling within the green banding as shown in Graph 1 below.

**Graph 1: Projected Outturn Variance to Gross Budget**



6.3 During Quarter 4, Storm Dennis caused significant flooding in Shropshire, resulting in £0.520m emergency revenue expenditure being incurred. Expenditure over and above the Council’s Bellwin threshold is eligible to be reimbursed by Central Government, however the Council’s threshold for 2019/20 stands at £0.460m, meaning that the first £0.460m expenditure incurred is expected to be funded from the Council’s General Fund. Therefore £0.460m has been drawn down from the General Fund at year end to cover expenditure incurred during the emergency event. This, however, does not support the loss of income from car parking and theatre income that would have been lost and is reflected in the accounts and later in this report.

6.4 Further to the Storm Dennis expenditure incurred, £0.387m revenue costs were incurred within 2019/20 as a result of the coronavirus pandemic. £0.387m of the £17.918m funding provided by MHCLG to help the local authority respond to coronavirus pressures across all of the services that it delivers has therefore been applied to the 2019/20 outturn position. Without utilising this funding, and without utilising £0.460m of the General Fund to offset Storm Dennis expenditure as above, the Council’s controllable outturn position would have

been an overspend of £2.539m, which, when represented in Graph 1, would have been very close to the red (danger) zone.

- 6.5 The controllable overspend of £1.692m for 2019/20 is presented below by service area in Table 2. End of year entries include items of non-controllable spend (e.g. insurance) that are not included within service projections throughout the year. The non-controllable element of spend has been excluded from the figures presented below to enable a direct comparison to be made between controllable expenditure at year end, and projections made throughout the year.

**Table 2: 2019/20 Budget Variations Analysed by Service Area (£'000)**

| Service Area                    | Revised Budget<br>£'000 | Outturn<br>£'000 | (Under) /<br>Overspend<br>£'000 | RAGY<br>Classification |
|---------------------------------|-------------------------|------------------|---------------------------------|------------------------|
| Adult Services                  | 107,823                 | 108,708          | 885                             | G                      |
| Central DSG                     | -                       | -                | -                               | G                      |
| Children's Services             | 49,863                  | 56,531           | 6,668                           | R                      |
| Corporate Budgets               | (5,236)                 | (16,588)         | (11,352)                        | Y                      |
| Finance, Governance & Assurance | 2,828                   | 2,280            | (548)                           | Y                      |
| Legal & Democratic Services     | 506                     | 380              | (125)                           | Y                      |
| Place                           | 57,655                  | 63,911           | 6,256                           | R                      |
| Strategic Management Board      | (14)                    | (107)            | (92)                            | Y                      |
| Workforce & Transformation      | 414                     | 414              | (0)                             | Y                      |
| <b>Total</b>                    | <b>213,839</b>          | <b>215,530</b>   | <b>1,692</b>                    | <b>G</b>               |

- 6.6 Services have worked to attempt to deliver a balanced council position overall, through the implementation of a spending freeze and recruitment freeze implemented mid year, however it has not been possible to reduce the overspend position to nil.
- 6.7 Further analysis of the variations to budgets for all service areas is provided within Appendix 1.

## 7. Update on Savings Delivery

- 7.1 During the year the savings projections are RAG rated in order to establish the deliverability of the savings and any potential impact on the outturn projection for the 2019/20 financial year. The RAG ratings are categorised as follows:

- Red – Savings are not solved on an ongoing basis, nor have they been achieved in the current financial year. These are reflected as unachieved within this monitoring report.
- Amber – Savings have been identified on an ongoing basis in the current financial year, however there is no clear evidence to support the delivery as yet.
- Green – Savings have been identified on an ongoing basis in the current financial year, with evidence of delivery.

The RAG ratings are updated monthly to determine progress on delivery.

**Table 3: 2019/20 Savings Proposals – Final Outturn**

| Service Area                      | Red<br>£'000 | Amber<br>£'000 | Green<br>£'000 | Total<br>Savings<br>£'000 |
|-----------------------------------|--------------|----------------|----------------|---------------------------|
| Adult Services                    | 1,166        | -              | 4,231          | 5,397                     |
| Central DSG                       | -            | -              | -              | -                         |
| Children's Services               | 737          | -              | 171            | 908                       |
| Corporate Budgets                 | -            | -              | 4,103          | 4,103                     |
| Finance, Governance and Assurance | -            | -              | 589            | 589                       |
| Legal and Democratic Services     | 20           | -              | 45             | 65                        |
| Place                             | 3,621        | -              | 2,695          | 6,315                     |
| Strategic Management Board        | -            | -              | -              | -                         |
| Workforce and Transformation      | 990          | -              | 121            | 1,112                     |
| <b>Council</b>                    | <b>6,535</b> | <b>-</b>       | <b>11,955</b>  | <b>18,490</b>             |

- 7.2 The figures presented above show that 65% of the 2019/20 savings required were achieved and rated green with the remainder unachieved and rated red. Paragraph 7.4 below provides further detail on the red savings.
- 7.3 Table 4 provides further analysis of savings delivery impact on final position for each service area.
- 7.4 As per Table 3, £6.535m savings remain unachieved at outturn, some of which have been offset in part by one-off savings in year. However, when setting the Council's budget for 2020/21, growth funding has been applied in order to remove the 2019/20 red savings that have been determined to be undeliverable. Following the application of growth funding during the budget setting process, £3.606m of the red savings still remain within the Council's budget and are still required to be delivered, as the delivery of these savings targets was considered to be delayed rather than undeliverable. Delivery of these savings will be scrutinised at regular savings challenge meetings scheduled to take place with Directors throughout 2020/21. Red savings carried forward are listed below.

| Ref | Directorate         | Service Area                   | Description  | 2019/20<br>Saving<br>Required<br>(£) | Value<br>Unachieved<br>and Carried<br>Forward to<br>2020/21 (£) |
|-----|---------------------|--------------------------------|--|--------------------------------------|---|
| P41 | Children's Services | Children's Services Management | Negotiate contract savings upon renewal through better contract management | 46,490                               | 20,460  |
| P28 | Place               | Strategic Asset Management     | Increased installation and use of solar panels                             | 100,000                              | 100,000   |

|              |                              |                                    |  |                  |                  |
|--------------|------------------------------|------------------------------------|--|------------------|------------------|
| P34 & P39    | Place                        | Head of Commercial Services        | Land acquisition, development and investment                               | 50,000           | 50,000           |
| P66          | Place                        | Director of Place                  | Innovation and efficiencies within Shire Services                          | 126,100          | 101,100          |
| P68          | Place                        | Shire Services                     | Stretch income target within Shire Services                                | 300,000          | 300,000          |
| P72          | Place                        | Director of Place                  | New Development Dividend   | 1,025,000        | 1,025,000        |
| P69          | Place                        | Highways and Transport             | Infrastructure related to new development                                  | 100,000          | 100,000          |
| P29          | Place                        | Highways and Transport             | Review of concessionary travel for Park & Ride                             | 50,000           | 50,000           |
| P41          | Place                        | Director of Place                  | Negotiate contract savings upon renewal through better contract management | 63,970           | 63,970           |
| P59          | Place                        | Highways and Transport             | Increase income generated from car parks                                   | 400,000          | 400,000          |
| P64          | Place                        | Highways and Transport             | Review of bus subsidies  | 405,000          | 105,000          |
| P78          | Place                        | Highways and Transport             | Additional fleet management income   | 52,000           | 52,000           |
| P75          | Place                        | Outdoor Partnerships               | Rights of way - risk based approach  | 50,000           | 50,000           |
| P76          | Place                        | Libraries                          | Libraries review   | 98,000           | 98,000           |
| P80          | Place                        | Culture, Leisure and Tourism       | Heritage Assets – new operating model                                      | £100,000         | £100,000         |
| R34          | Workforce and Transformation | ICT Digital Transformation Project | Digital Transformation   | 990,430          | 990,430          |
| <b>TOTAL</b> |                              |                                    |  | <b>3,956,990</b> | <b>3,605,960</b> |

More detail on these, and all of the 2019/20 red savings, is provided within the relevant service sections of Appendix 1.

7.6. In addition to the red savings pressures, a number of ongoing pressures were identified within service areas during the year totaling £3.154m. £0.537m of these ongoing pressures have arisen as a result of previous years' unachieved savings. Ongoing pressures that have been identified are as follows:

| Directorate    | Service / Description                     | Nature of Pressure         | Value (£) |
|----------------|---|----------------------------|-----------|
| Adult Services | Housing - Temporary Accommodation         | Demography                 | 403,873   |
| Adult Services | Public Health - Out of Hours Call Service | Historic unachieved saving | 24,800    |

|                                   |   |  |                  |
|-----------------------------------|---|--|------------------|
| Children's Services               | Shrewsbury Training and Development Centre    | Reduced income   | 42,000           |
| Children's Services               | Children's Social Care Placements             | Staff budget / demography  | 475,500          |
| Children's Services               | Social Work Teams                             | Staff budget   | 19,310           |
| Children's Services               | Children's Social Care Agency Costs           | Staff budget   | 145,300          |
| Finance, Governance and Assurance | Revenues and Benefits                         | Reduced income (Housing Benefits subsidy)                        | 573,150          |
| Place                             | Corporate Landlord                            | Increased contract costs / reduced income                        | 249,000          |
| Place                             | Strategic Asset Management                    | Staff budget   | 88,000           |
| Place                             | Shrewsbury Shopping Centres                   | Reduced rental income and increased costs of rates and insurance | 429,000          |
| Place                             | Planning Services                             | Building control emergency works                                 | 166,480          |
| Place                             | Leisure Facilities                            | Staff budget / reduced income at in house facilities             | 26,000           |
| Workforce and Transformation      | Digital Services                              | Historic unachieved saving                                       | 17,000           |
| Workforce and Transformation      | DTP - Single Front Door / Face to Face Review | Historic unachieved saving                                       | 495,000          |
| <b>TOTAL</b>                      |   |  | <b>3,154,413</b> |

All of these budget pressures are forecast to impact budget positions in 2020/21. Significant further work is required within service areas to find an ongoing basis for managing and funding these pressures so that further growth is not required within the Financial Strategy, leading to an increase in the funding gap.

7.8 Table 4 below shows the impact of the ongoing pressures identified in 2019/20 on each service area's outturn position.

**Table 4: Reconciliation of Monitoring Projections to Savings Delivery**

|   | Controllable Outturn | Savings Pressure in 2019/20 | Ongoing Monitoring Pressures Identified | Ongoing Monitoring Savings Identified | One Off Monitoring Pressures Identified | One Off Monitoring Savings Identified |
|---|----------------------|-----------------------------|---|---------------------------------------|---|---------------------------------------|
|   | £000                 | £000                        | £000                                    | £000                                  | £000                                    | £000                                  |
| Adult Services Business Support & Development | (152)                |                             |   |                                       | 198                                     | (350)                                 |
| Adult Services Management                     | 44                   |                             |   |                                       | 155                                     | (111)                                 |
| Provider Services                             | (196)                |                             |   |                                       | 230                                     | (426)                                 |
| Housing Services                              | 46                   |                             | 404                                     |                                       | 130                                     | (488)                                 |
| Social Care Operations                        | 613                  |                             |   |                                       | 1,809                                   | (1,196)                               |
| Bereavement Services                          | (38)                 |                             |   |                                       |   | (38)                                  |
| Regulatory Services                           | (211)                |                             |   |                                       |   | (211)                                 |
| Trading Standards and Licensing               | (229)                |                             |   |                                       |   | (229)                                 |
| Registrars and Coroners                       | (56)                 |                             |   |                                       |   | (56)                                  |
| Non Ring Fenced Public Health Services        | 284                  | 207                         |   |                                       | 116                                     | (39)                                  |
| Ring Fenced Public Health Services            | 781                  | 959                         | 25                                      |                                       | 91                                      | (294)                                 |
| <b>Adult Services</b>                         | <b>885</b>           | <b>1,166</b>                | <b>429</b>                              | <b>0</b>                              | <b>2,729</b>                            | <b>(3,439)</b>                        |

|  | Controllable<br>Outturn | Savings<br>Pressure<br>in 2019/20 | Ongoing<br>Monitoring<br>Pressures<br>Identified | Ongoing<br>Monitoring<br>Savings<br>Identified | One Off<br>Monitoring<br>Pressures<br>Identified | One Off<br>Monitoring<br>Savings<br>Identified |
|--|-------------------------|-----------------------------------|--|--|--|--|
|  | £000                    | £000                              | £000   | £000   | £000   | £000   |
| Central DSG                                | 0                       |                                   |  |  | 1,368  | (1,368)  |
| <b>Central DSG</b>                         | <b>0</b>                | <b>0</b>                          | <b>0</b>   | <b>0</b>                                       | <b>1,368</b>                                     | <b>(1,368)</b>                                 |
| Learning & Skills                          | 2,189                   | 717                               | 42   |  | 1,791  | (362)  |
| Children's Social Care & Safeguarding      | 4,697                   |                                   | 640  |  | 5,089  | (1,032)  |
| Early Help, Partnerships and Commissioning | (235)                   |                                   |  |  | 0  | (235)  |
| Children's Services Management             | 18                      | 20                                |  |  | 18   | (21)   |
| <b>Children's Services</b>                 | <b>6,668</b>            | <b>737</b>                        | <b>682</b>                                       | <b>0</b>                                       | <b>6,898</b>                                     | <b>(1,650)</b>                                 |
| Corporate Budgets                          | (11,352)                |                                   |  |  | 371  | (11,724)                                       |
| <b>Corporate Budgets</b>                   | <b>(11,352)</b>         | <b>0</b>                          | <b>0</b>   | <b>0</b>                                       | <b>371</b>                                       | <b>(11,724)</b>                                |
| Audit Services                             | (80)                    |                                   |  |  |  | (80)   |
| Finance                                    | 12                      |                                   |  |  | 189  | (176)  |
| Pension Administration Services            | 4                       |                                   |  |  | 4  |  |
| Revenues and Benefits                      | (118)                   |                                   | 573  |  |  | (691)  |
| Treasury Services                          | (55)                    |                                   |  |  |  | (55)   |
| Commissioning Development and Procurement  | (280)                   |                                   |  | (100)  |  | (180)  |
| Risk Management and Insurance              | (31)                    |                                   |  |  |  | (31)   |
| <b>Finance, Governance and Assurance</b>   | <b>(548)</b>            | <b>0</b>                          | <b>573</b>                                       | <b>(100)</b>                                   | <b>193</b>                                       | <b>(1,214)</b>                                 |
| Democratic Services                        | (139)                   |                                   |  |  |  | (139)  |
| Elections                                  | (183)                   | 20                                |  |  | 8  | (211)  |
| Legal & Democratic Services                | 197                     |                                   |  |  | 290  | (93)   |
| <b>Legal and Democratic Services</b>       | <b>(125)</b>            | <b>20</b>                         | <b>0</b>   | <b>0</b>                                       | <b>298</b>                                       | <b>(443)</b>                                   |
| Head of Commercial Services                | 64                      | 50                                |  |  | 14   |  |
| Corporate Landlord                         | 777                     |                                   | 249  |  | 870  | (341)  |
| Facilities Management                      | 54                      | 26                                |  |  | 28   |  |
| Property Services                          | 441                     |                                   |  |  | 441  |  |
| Strategic Asset Management                 | 322                     | 100                               | 88   |  | 134  |  |
| Commercial Investment Team                 | (527)                   |                                   |  |  |  | (527)  |
| Shire Services                             | 0                       | 300                               |  |  | 252  | (552)  |
| Director of Place                          | 1,254                   | 1,190                             |  |  | 64   |  |
| Head of Economic Growth                    | 1                       |                                   |  |  | 1  |  |
| Planning Services                          | 186                     |                                   | 166  |  | 34   | (14)   |
| Economic Growth                            | (133)                   |                                   |  |  |  | (133)  |
| Shrewsbury Shopping Centres                | 434                     |                                   | 429  |  | 180  | (175)  |
| Broadband                                  | (29)                    |                                   |  |  |  | (29)   |
| Planning Policy                            | (174)                   |                                   |  |  |  | (174)  |
| Head of Infrastructure and Communities     | 175                     |                                   |  |  | 175  |  |
| Arts                                       | (2)                     |                                   |  |  |  | (2)  |
| Highways and Transport                     | 2,241                   | 1,007                             |  |  | 2,520  | (1,286)  |
| Shropshire Hills AONB                      | (19)                    |                                   |  |  |  | (19)   |
| Outdoor Partnerships                       | 23                      | 50                                |  |  |  | (27)   |
| Leisure                                    | 272                     |                                   | 26   |  | 281  | (35)   |
| Libraries                                  | 110                     | 98                                |  |  | 99   | (87)   |
| Museums and Archives                       | (38)                    |                                   |  |  | 102  | (140)  |
| Theatre Services                           | 60                      |                                   |  |  | 60   |  |
| Waste Management                           | 602                     | 700                               |  |  |  | (98)   |
| Head of Culture, Leisure and Tourism       | 162                     | 100                               |  |  | 79   | (17)   |
| <b>Place</b>                               | <b>6,256</b>            | <b>3,621</b>                      | <b>958</b>                                       | <b>0</b>                                       | <b>5,334</b>                                     | <b>(3,657)</b>                                 |
| Strategic Management Board                 | (92)                    |                                   |  |  |  | (92)   |
| <b>Strategic Management Board</b>          | <b>(92)</b>             | <b>0</b>                          | <b>0</b>   | <b>0</b>                                       | <b>0</b>   | <b>(92)</b>                                    |
| Customer Services                          | (342)                   |                                   |  |  | 235  | (577)  |



|  | Controllable<br>Outturn | Savings<br>Pressure<br>in 2019/20 | Ongoing<br>Monitoring<br>Pressures<br>Identified | Ongoing<br>Monitoring<br>Savings<br>Identified | One Off<br>Monitoring<br>Pressures<br>Identified | One Off<br>Monitoring<br>Savings<br>Identified |
|--|-------------------------|-----------------------------------|--|--|--|--|
|  | £000                    | £000                              | £000   | £000   | £000   | £000   |
| ICT Digital Transformation Project           | 1,524                   | 990                               | 495  |  | 39   |  |
| ICT Services                                 | (654)                   |                                   | 17   |  | 243  | (914)  |
| Communications                               | (54)                    |                                   |  |  |  | (54)   |
| Information, Intelligence and Insight        | (152)                   |                                   |  |  |  | (152)  |
| Human Resources & Organisational Development | (323)                   |                                   |  |  | 98   | (421)  |
| <b>Workforce and Transformation</b>          | <b>(0)</b>              | <b>990</b>                        | <b>512</b>                                       | <b>0</b>                                       | <b>615</b>                                       | <b>(2,117)</b>                                 |
| <b>TOTAL</b>                                 | <b>1,692</b>            | <b>6,534</b>                      | <b>3,154</b>                                     | <b>(100)</b>                                   | <b>17,806</b>                                    | <b>(25,702)</b>                                |

7.8. The Council operates two internal funds to help deliver savings now and into the future. The Invest to Save Fund was established in 2014 enabling business cases to be put forward with the aim to generate savings and repay the investment back into the fund with interest. From an opening balance of £2.0m in 2014, additional investment into and repayments to the fund since have resulted in an opening balance of £3.920m in 2019. In total since the fund was created investment of £4.138m has been approved, of which £2.184m has been spent to date, and repayments totaling £1.900m have been made from projects. There are expected bids pending in 2020/21 that would fully commit the fund until further repayments have been achieved. The Development Fund was established for similar purposes, but where a proposal would not deliver a direct or short-term return on investment. Spend in year has totaled £0.768m, with approved commitments of £1.430m, leaving uncommitted funds of £0.097m year end. The base budget of £0.619m has been reduced as part of the savings strategy for 2020/21 to £0.319m, with additional one-off funding added to the fund at the end of 19/20, meaning that the total available funding for 20/21 to support appropriate schemes and investments stands at £0.717m.

## 8. General Fund Balance

- 8.1. The effect on the Council's reserves of the outturn is detailed below. The Council's policy on reserve balances is to have a General Fund balance (excluding schools balances) of between 0.5% and 2% of the gross revenue budget. For 2019/20 the minimum balance required would therefore be £2.842m, although this is no longer considered to be an acceptable guide.
- 8.2. The more appropriate risk-based target balance for the General Fund, as calculated in the Robustness of Estimates and Adequacy of Reserves section of the MTFS, reported to Council on 27<sup>th</sup> February 2019, is £16.071m in 2019/20, rising to £29.925m by 2024/25. These figures were significantly increased within the review, reflecting the remaining funding gap in these years as set out in the Financial Strategy, and the significant level of risk associated with the uncertainty over local government funding.
- 8.3. The Council has received one-off funding in 2019/20 of £0.210m to fund any cost implication arising from Brexit. This is in addition to the £0.105m received in 2018/19. The funding has been contributed to the General Fund as shown in table 5 below, as any residual costs arising from Brexit will have to be found

from the General Fund balance. Expenditure in 2019/20 has been £0.044m, incurred within Regulatory Services.

- 8.4. In 2019/20 the General Fund has been used to pay for the emergency expenditure incurred during Storm Dennis, up to the value of the Bellwin threshold (£0.460m), as described above. The fund has also been used to offset Shire Services' deficit outturn position, as £0.082m deficit remained unfunded after drawing down Shire Services' earmarked reserve. This use of the General Fund effectively represents a loan to Shire Services which must be repaid in 2020/21.
- 8.5. Predominantly due to the outturn position, the General Fund balance has reduced at year-end to £13.510m, as shown in table 5 below. The balance remains significantly below the required risk assessed target, and has reduced by £2.027m (13%) since 31<sup>st</sup> March 2019.

**Table 5: General Fund Balance as at 31 March 2020**

|  |               |
|--|---------------|
| General Fund Balance as at 31 March 2019   | 15,537        |
| One-Off Brexit Funding for 2019/20   | 105           |
| One-Off Brexit Funding for 2020/21   | 105           |
| Brexit Expenditure   | (44)          |
| Net Increase in Brexit Funds Held  | 166           |
| Use of Fund for Emergency Storm Dennis Expenditure   | (460)         |
| Use of Fund to Offset Shire Services' Deficit Position - to be repaid by Shire Services in 2020/21 | (82)          |
| Outturn Controllable Overspend   | (1,692)       |
| Outturn Non-Controllable Insurance Underspend  | 41            |
| Net Reduction to Offset Overspend  | (1,651)       |
| Balance at 31 March 2020   | <b>13,510</b> |

## 9. Housing Revenue Account (Appendix 2)

- 9.1 The Housing Revenue Account (HRA) outturn for 2019/20 shows a surplus of (£0.327m) against a budgeted deficit of £3.780m, giving a (£4.106m) variance against the approved budget, which represents 23% of the gross turnover of £17.691m. The HRA was due to make a direct contribution of £4.898m to part finance the capital works programme for major repairs and building new affordable homes, however delays in these capital schemes have resulted in this spend being delayed and therefore this spend will instead be released in 2020/21. As at 31 March 2020 the HRA reserve stood at £10.1m and these funds are available to finance future HRA capital works or for the repayment of HRA debt.

## 10. Reserves and Provisions (Appendix 4)

- 10.1. The Council has created a number of specific reserves and provisions to provide for known or anticipated future liabilities and to assist in protecting essential services. Earmarked reserves are balances held for specific items that will occur in the future. Provisions are held to meet expenses that will occur as a result of past events and where a reliable estimate can be made of the obligation.
- 10.2. The overall position for reserves and provisions is set out in the Statement of Accounts 2019/20, however a detailed breakdown of the balances is contained at Appendix 4, with an explanation of each reserve and provision. These figures may be subject to change before the Council’s final Statement of Accounts is produced. The change in revenue reserves and provisions are detailed in table 6 below. The level of reserves had decreased more significantly in 2019/20 than demonstrated below however due to the receipt of the first instalment of the COVID-19 grant of £8.97m on the 23<sup>rd</sup> March, this has resulted in this being carried forward in reserves to be utilised in 2020/21 as expenditure has arisen.

**Table 6: Movement in Reserves and Provisions 2019/20**

| <b>Balance Held</b>  | <b>Reserves<br/>£000</b> | <b>Provisions<br/>£000</b> | <b>Bad Debt<br/>Provisions<br/>£000</b> | <b>Total<br/>Reserves &amp;<br/>Provisions<br/>£000</b> |
|--|--------------------------|----------------------------|---|---|
| As at 31 March 2019  | 71,726                   | 12,410                     | 12,260                                  | 96,396  |
| As at 31 March 2020  | 67,993                   | 14,466                     | 13,580                                  | 96,039  |
| <b>Increase/(Decrease)</b>   | <b>(3,733)</b>           | <b>2,056</b>               | <b>1,320</b>                            | <b>(357)</b>  |
| Delegated School<br>Balances Movement                                    | (2,288)                  | 0                          | 0                                       | (2,288)   |
| <b>Increase/(Decrease)<br/>(excluding Delegated<br/>School Balances)</b> | <b>(1,445)</b>           | <b>2,056</b>               | <b>1,320</b>                            | <b>1,931</b>  |

- 10.3. In accordance with the financial strategy the Council plans to use one off funding to close the funding gap between 2020/21 and 2021/22. This will result in the Financial Strategy Reserve reducing to zero by 2021/22 unless an alternative strategy is followed. It should be noted that this plan as per the MTFs was established before the COVID-19 pandemic that is affecting the 2020/21 financial year, and it may become necessary to utilise this reserve in 2020/21 instead. The balance of digital transformation funding is also held in the Development Reserve and this will be fully applied in 2020/21. Other Earmarked Reserves are expected to fall over the coming years for a number of reasons. It is difficult to project use with any accuracy, but balances would not be expected to fall to below £25m in the long term. The estimated future balances on earmarked reserves are as shown in table 7 below:

**Table 7: Estimated Future Balances on Earmarked Reserves and Provisions**

|  | <b>Balance c/f<br/>2019/20</b> | <b>Estimated Closing Balance<br/>2020/21</b> | <b>2021/22</b> |
|--|--------------------------------|--|----------------|
|  |                                |  |                |

|                            | £'000         | £'000         | £'000         |
|----------------------------|---------------|---------------|---------------|
| Financial Strategy Reserve | 20,802        | 20,502        | 0             |
| Development Reserve        | 7,243         | 2,136         | 782           |
| Other Earmarked Reserves   | 39,948        | 36,910        | 26,760        |
| Provisions                 | 28,046        | 28,046        | 28,046        |
| <b>Total</b>               | <b>96,039</b> | <b>87,594</b> | <b>55,588</b> |

### Delegated School Balances

10.4. The movement in delegated schools' balances are detailed in table 8.

**Table 8: Movement in delegated schools' balances 2019/20**

|  | 2018/19<br>£000 | 2019/20<br>£000 | Increase/<br>(Decrease)<br>£000 |
|--|-----------------|-----------------|---------------------------------|
| <b>Schools:</b>                        |                 |                 |                                 |
| - Revenue Balances                     | 2,983           | 3,041           | 58                              |
| - Invested Balances                    | 607             | 516             | (91)                            |
| - Extended Schools Grant Balance       | 645             | 623             | (22)                            |
| <b>Sub Total within Schools</b>        | <b>4,235</b>    | <b>4,180</b>    | <b>(55)</b>                     |
| Purchasing IT equipment                | (55)            | (41)            | 14                              |
| DSG Deficit                            | 0               | (2,248)         | (2,248)                         |
| <b>Total Delegated School Balances</b> | <b>4,180</b>    | <b>1,891</b>    | <b>(2,289)</b>                  |

- 10.5. Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion. Of the 87 schools with balances, 82 schools have surplus balances and 5 have deficit balances.
- 10.6. The Extended Schools Grant allocations for schools were paid over during 2019/20, these balances have been ringfenced to each individual school within School Balances.
- 10.7. Following consultation with the school's forum and head teachers, the school balances have been used to purchase IT equipment for schools, the cost of this equipment is then recharged to schools over the life of that equipment, effectively operating as an internal leasing arrangement. At the end of 2019/20 £0.41m of the £4.180m was being used in this way.
- 10.8. In 2018/19 there was a deficit position on the Dedicated Schools Grant (DSG) where expenditure, particularly within the High Needs Block was in excess of the DSG funding received. This was temporarily funded from the Council's earmarked reserves in 2018/19. The balance was due to be repaid by schools as soon as possible, however this has not been possible in 2019/20, and the deficit has increased further. In addition, the Department for Education have now stated that any deficit balance should be held against school balances rather than the Council's earmarked reserves and so the cumulative deficit of £2.248m has reduced schools' balances down to £1.891m.

## 11. Original & Final Capital Programme for 2019/20

11.1 The capital budget for 2019/20 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. Additionally, in Quarter 4 there has been a net budget increase for 2019/20, compared to the position reported at Quarter 3 2019/20. In total, during Quarter 4 there has been a net budget increase of £9.710m. Table 9 summarises the overall movement, between that already approved, changes for Quarter 4 that require approval.

**Table 9: Revised Capital Programme Quarter 4 2019/20**

| Detail                       | Agreed Capital Programme - Council 28/02/19<br>£ | Slippage & Budget Changes Approved To Quarter 3 2019/20<br>£ | Quarter 4 Budget Changes to be Approved<br>£ | Revised 2019/20 Capital Programme Quarter 4<br>£ |
|------------------------------|--|--|--|--|
| <b>General Fund</b>          |  |  |  |  |
| Place                        | 37,276,536                                       | (594,495)  | 8,044,457                                    | 44,726,498                                       |
| Adult Services               | 3,600,000  | 440,074  | -  | 4,040,074  |
| Public Health                | 230,000  | (141,364)  | -  | 88,636   |
| Childrens Services           | 14,628,959                                       | (6,381,707)  | 708,145                                      | 8,955,397  |
| Resources & Support          | 5,000,000  | (868,422)  | 1,020,224                                    | 5,151,802  |
| <b>Total General Fund</b>    | <b>60,735,495</b>                                | <b>(7,545,913)</b>   | <b>9,772,826</b>                             | <b>62,962,408</b>                                |
| Housing Revenue Account      | 7,600,950  | 481,409  | (62,887)                                     | 8,019,472  |
| <b>Total Approved Budget</b> | <b>68,336,445</b>                                | <b>(7,064,504)</b>   | <b>9,709,939</b>                             | <b>70,981,880</b>                                |

11.2 Full details of all budget changes are provided in Appendix 5 to this report. A summary of the significant budget changes for 2019/20 and future years are detailed below:

### Budget Increases

- Increase in Prudential Borrowing of £12.420m and £0.900m in relation to commercial investments as approved in the Capital Investment Strategy and the Children’s Residential Care scheme respectively.
- Increase in government grants of £3.517m in relation to the North West Relief Road (NWRR) scheme following the award of Department for Transport (DfT) Local Majors funding of £54.406m.
- Increase in revenue contributions of £1.020m in relation to Invest to Save (I2S) ICT Upgrade capital schemes.
- Increase in government grants of £0.025m in relation to the Rapid Vehicle Electric Charging Points scheme following notification of additional DfT funding.
- Increase in Community Infrastructure Levy (CIL) of £0.500m in relation to the Shrewsbury Integrated Transport Programme (SITP).
- Increase in S106 Grant Scheme funding of £0.345m for Town and Parish Council schemes added to the programme.
- Increase in ERDF funding of £0.109m and revenue contributions of £0.095m in relation to the Corporate Landlord Sustainable Energy in Public Sector Buildings (SEPuBU) programme.

- Increase in government grants of £0.157m in relation to the Schools Full Fibre Broadband programme following the award of Department for Education (DfE) Full Fibre Broadband Grant.
- Increase in Section 106 and private sector contributions of £0.149m and £0.009m respectively in relation to integrated transport schemes.
- Increase in private sector contributions of £0.075m in relation to the Broadband scheme.
- Increase in Corporate Landlord Revenue Contributions to specific schemes of £0.162m.
- Increase in schools Revenue Contributions to specific schemes of £0.014m.

#### **Budget Decreases**

- Reduction of £0.347m in capital receipts requirement in relation to Corporate Landlord scheme following confirmation that the scheme is no longer proceeding.
- Transfer of One Public Estate Funding of £0.075m to Clinical Commissioning Group (CCG).
- Reduction of £0.063m in capital receipts requirement in relation to the HRA Housing New Build Phase 5 scheme to match anticipated expenditure profile.
- Reduction in schools' DFC allocations of £0.018m as a result of an academy conversion.
- Reduction in diocese contribution to specific schools' scheme of £0.017m.
- Reduction in I2S revenue contributions of £0.001m required in relation to the Corporate Landlord SEPUBu programme.

#### **Budget Re-profiling**

- **Place:** re-profiling of £8.945m Prudential Borrowing in relation to commercial investments to reflect expected expenditure at outturn.
- **Children's Services:** re-profiling of £0.014m capital receipts, £0.156m Early Years Capital Grant and £0.153m Basic Need Grant Other Contributions in relation to both the School Place Plan Programme (£0.198m) and Early Years schemes (£0.125m) to match the anticipated expenditure profile and reflect expected expenditure at outturn respectively.

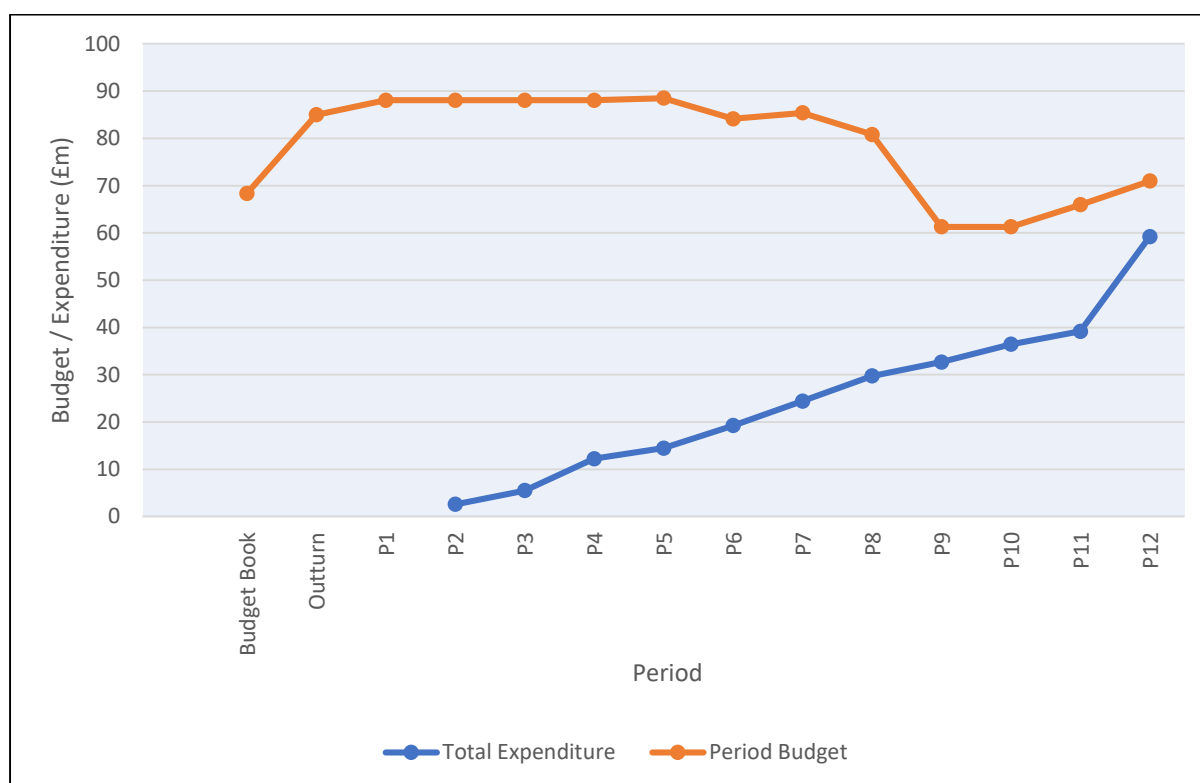
## **12. Capital Outturn Position**

- 12.1. The capital programme is reviewed on a regular basis to re-profile the budget to reflect the multi-year nature of capital schemes, whereby spend may slip into later years. However, it is possible that a level of underspend or overspend may be experienced against the revised capital budget at outturn. 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. Table 10 summarises the outturn position for 2019/20.

**Table 10: Capital Programme Outturn Position by Service Area 2019/20**

| Detail                       | Revised Capital Programme - Outturn 2019/20 | Actual Expenditure 31/03/2020 | Variance          | Spend To Budget |
|------------------------------|---|-------------------------------|-------------------|-----------------|
|                              | £   | £                             | £                 | %               |
| <b>General Fund</b>          |   |                               |                   |                 |
| Place                        | 44,726,498                                  | 39,043,092                    | 5,683,406         | 87%             |
| Adult Services               | 4,040,074                                   | 3,089,165                     | 950,909           | 76%             |
| Public Health                | 88,636                                      | 81,509                        | 7,128             | 92%             |
| Childrens Services           | 8,955,397                                   | 6,869,768                     | 2,085,629         | 77%             |
| Resources & Support          | 5,151,802                                   | 4,156,901                     | 994,902           | 81%             |
| <b>Total General Fund</b>    | <b>62,962,408</b>                           | <b>53,240,435</b>             | <b>9,721,973</b>  | <b>85%</b>      |
| Housing Revenue Account      | 8,019,472                                   | 5,968,912                     | 2,050,560         | 74%             |
| <b>Total Approved Budget</b> | <b>70,981,880</b>                           | <b>59,209,347</b>             | <b>11,772,533</b> | <b>83%</b>      |

12.2. Total capital expenditure for 2019/20 was £59.209m, which equated to 83% of the re-profiled capital programme of £71.981m. The graph below shows actual expenditure by period and tracks the period by period changes to the budget.



12.3. There was a total variance of £11.773m between the revised Outturn Budget and the Outturn Expenditure. All of this underspend will be slipped to 2020/21 to facilitate completion of projects commenced in 2019/20. Full details of expenditure variances are in Appendix 5. A summary of significant variances by service area are provided below.

12.4. **Place** - Total underspend against the Place capital programme was £5.683m. The most significant areas of underspend are:

- £0.908m against the Broadband Project due to reprofiling with BDUK.

- £0.720m against the North West Relief Road scheme, this has been carried forward into 2020/21 as the project develops.
- £0.700m against the local transport plan due to storm and flood re-prioritisation of staff and the underspend has been carried forward into 2020/21.
- £0.706m against Corporate Landlord. £0.280m of this is against the Ellesmere Remediation scheme.
- £0.650m against the Commercial Investment Programme.
- £0.634m against LEP schemes, primarily SITP (£0.482m).
- £0.327m against Parking Strategy - Car Park Machines.
- £0.300m against Bridges and Structures due to storm and flood re-prioritisation of staff and the underspend is carried forward to 2020/21.
- £0.277m against Physical Regeneration schemes, £0.251m of which relates to Oswestry HIF.
- £0.130m against Planning Policy - Affordable Housing schemes.
- £0.100m against drainage due to storm and flood re-prioritisation of staff and underspend has been carried forward into 2020/21.
- Various other minor underspends have occurred on projects across other areas of Place & Enterprise.

- 12.5. **Adult Services** - Total underspend against Adult Services was £0.951m. This was £0.314m on Social Care schemes and £0.637m on Housing Health & Wellbeing. Within Housing Health & Wellbeing, £0.462m is against Disabled Facilities Grant (DFG), despite significant re-profiling at Quarter 3. This is simply due to the nature of the grant awards and assessment timeframes. A further £0.175m is against the HOLD scheme. This is due to genuine delays in securing mortgages from providers resulting in low grant awards to assist purchase. The scheme will continue in 2020/21 with continued Government support.
- 12.6. **Public Health** - Total underspend against the Public Health capital programme was £0.007m. This was entirely in relation to Private Sector Housing Empty Property Incentive Grants.
- 12.7. **Children's Services** - Total underspend against the Children's Services capital programme was £2.086m. The most significant areas of underspend were £0.618m in Children's Residential Care, £0.663m on Basic Need schemes, £0.157m on Full Fibre schemes and £0.538m on Condition schemes. These overspends occurred despite re-profiling in year.
- 12.8. **Resources & Support** - Total underspend against the Resources & Support capital programme was £0.995m in relation to the ICT Digital Transformation Programme.
- 12.9. **Housing Revenue Account** - Total underspend against the HRA programme of £2.051m, of which £1.464m was on the Major Repairs Programme and £0.500m was on the New Build Programme.



### 13. Financing of the Capital Programme

13.1. Appendix 5 provides a full summary of the financing of the 2019/20 capital programme. Table 11 summarises the financing sources and changes made to Quarter 3 and to be approved to Quarter 4.

**Table 11: Revised Capital Programme Financing**

| Financing   | Agreed Capital Programme - Council 28/02/19 | Slippage & Budget Changes Approved To Quarter 3 2019/20 | Quarter 4 Budget Changes to be Approved | Revised 2019/20 Capital Programme Quarter 4 |
|---|---|---|---|---|
|   | £   | £   | £                                       | £   |
| Self Financed Prudential Borrowing *                      | 4,252,000                                   | 1,104,420   | 4,375,000                               | 9,731,420                                   |
| Government Grants   | 38,254,230                                  | (3,704,688)   | 3,297,334                               | 37,846,876                                  |
| Other Grants  | 50,040                                      | 895,713   | 183,787                                 | 1,129,540                                   |
| Other Contributions                                       | 2,899,459                                   | 646,745   | 987,244                                 | 4,533,448                                   |
| Revenue Contributions to Capital                          | 4,214,293                                   | (1,193,504)   | 1,290,724                               | 4,311,513                                   |
| Major Repairs Allowance                                   | 3,900,950                                   | 652,649   | -                                       | 4,553,599                                   |
| Corporate Resources (expectation - Capital Receipts only) | 14,765,473                                  | (5,465,839)   | (424,150)                               | 8,875,484                                   |
| <b>Total Confirmed Funding</b>                            | <b>68,336,445</b>                           | <b>(7,064,504)</b>                                      | <b>9,709,939</b>                        | <b>70,981,880</b>                           |

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

13.2 Within the financing of the Capital Programme £4.312m is funded from revenue contributions. The major areas of revenue contributions to capital are in ringfenced HRA monies to undertake major housing stock repairs (£0.761m) and new build schemes (£1.700m), ICT Upgrades (£1.020m) and essential repairs in relation to the Corporate Landlord estate (£0.688m).

### 14. Projected Longer Term Capital Programme to aid Medium Term Financial Plan

14.1. The updated capital programme is summarised by year and financing in Table 12 below:

**Table 12: Capital Programme 2020/21 to 2022/23**

| Service Area  | 2020/21            | 2021/22           | 2022/23            |
|---|--------------------|-------------------|--------------------|
| <b>General Fund</b>                                       |                    |                   |                    |
| Place   | 74,232,860         | 56,934,566        | 75,709,635         |
| Adult Services  | 8,237,606          | 3,200,000         | 3,200,000          |
| Public Health   | 267,127            | -                 | -                  |
| Childrens Services  | 17,869,859         | 11,000,000        | 5,500,000          |
| Resources & Support                                       | 2,394,901          | -                 | -                  |
| <b>Total General Fund</b>                                 | <b>103,002,353</b> | <b>71,134,566</b> | <b>84,409,635</b>  |
| <b>Housing Revenue Account</b>                            | <b>24,306,173</b>  | <b>18,700,000</b> | <b>18,700,000</b>  |
| <b>Total Approved Budget</b>                              | <b>127,308,526</b> | <b>89,834,566</b> | <b>103,109,635</b> |
| <b>Financing</b>  |                    |                   |                    |
| Self Financed Prudential Borrowing *                      | 41,780,062         | 30,910,000        | 30,910,000         |
| Government Grants   | 48,791,451         | 34,244,172        | 61,499,635         |
| Other Grants  | 1,140,154          | -                 | -                  |
| Other Contributions                                       | 13,964,196         | 13,565,277        | -                  |
| Revenue Contributions to Capital                          | 4,906,890          | 2,014,293         | 2,000,000          |
| Major Repairs Allowance                                   | 5,879,247          | 3,700,000         | 3,700,000          |
| Corporate Resources (expectation - Capital Receipts only) | 10,846,526         | 5,400,824         | 5,000,000          |
| <b>Total Confirmed Funding</b>                            | <b>127,308,526</b> | <b>89,834,566</b> | <b>103,109,635</b> |

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

14.2. The Corporate Resources financing line above is the element of internal resources through capital receipts and corporately financed prudential borrowing required to finance the programme. Current expectation is these will all be through capital receipts, see Section 15 for the current projected position. The Capital Investment Board continues to consider proposals for new schemes for the Council to invest in, with an emphasis on invest to save schemes and schemes that create revenue generation.

## 15. Capital Receipts Position

15.1 The current capital programme is heavily reliant on the Council generating capital receipts to finance the capital programme. There is a high level of risk in these projections as they are subject to changes in property and land values, the actions of potential buyers and being granted planning permission on sites. Table 13 below, summarises the current allocated and projected capital receipt position across 2019/20 to 2022/23. 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 are 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.

15.2 Capital receipts of £20.478m were brought forward from 2018/19 and £5.135m was generated in 2019/20. As previously reported, following the re-profiling in the capital programme and mid-year review of the programme, enough receipts have been generated to finance this year's capital programme without any corporate prudential borrowing. Of the receipts generated in year, £2.329m has been used to finance redundancy costs under the recent flexibilities around the use of Capital Receipts for transformation revenue purposes.

**Table 13: Projected Capital Receipts Position**

| Detail  | 2019/20<br>£      | 2020/21<br>£      | 2021/22<br>£     | 2022/23<br>£       |
|---|-------------------|-------------------|------------------|--------------------|
| Corporate Resources Allocated in Capital Programme                              | 5,003,870         | 8,423,566         | 5,400,824        | -                  |
| Capital Receipts used to finance redundancy costs                               | 2,329,434         | -                 | -                | -                  |
| To be allocated from Ring Fenced Receipts                                       | -                 | 14,158,758        | -                | -                  |
| <b>Total Commitments</b>  | <b>7,333,304</b>  | <b>22,582,324</b> | <b>5,400,824</b> | <b>-</b>           |
| <b>Capital Receipts in hand/projected:</b>                                      |                   |                   |                  |                    |
| Brought Forward in hand   | 20,478,421        | 18,280,241        | 464,849          | (4,935,975)        |
| Generated 2019/20 YTD   | 5,135,125         | -                 | -                | -                  |
| Projected - 'Green'   | -                 | 4,766,932         | -                | -                  |
| <b>Total in hand/projected</b>  | <b>25,613,546</b> | <b>23,047,173</b> | <b>464,849</b>   | <b>(4,935,975)</b> |
| Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward | (18,280,241)      | (464,849)         | 4,935,975        | 4,935,975          |
| Further Assets Being Considered for Disposal                                    | -                 | 26,941,235        | 8,623,404        | -                  |

- 15.3 Following the underspend position for the capital programme for 2019/20 and the Council policy of applying un-ringfenced capital grants in place of capital receipts where they are not required in full due to scheme underspends, the Council has £19.619m in capital receipts in hand at 31/03/20. These will be set-aside, enabling the Council to achieve an additional MRP saving of £0.693m in 2020/21. These capital receipts are required to finance schemes they are allocated to in the future years' capital programme.
- 15.4 Based on the current approved position, across the life of the programme there is a small surplus in capital receipt projections of £0.465m in 2020/21 and a shortfall of £4.936m in 2021/22 based on receipts rated green in the RAG analysis to fund the required budget in the capital programme. There is, therefore, the requirement to progress the disposals rated amber and red which total £35.565m 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 through the Capital Investment Board.
- 15.5 It is important that work progresses, to avoid a funding shortfall in 2020/21 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.
- 15.6 The projected shortfall in capital receipts is purely based on the currently approved capital programme for the period 2020/21 to 2022/23. The current Capital Strategy 2020/21 to 2024/25, approved by Council in February 2020, identifies potential future capital schemes with estimated costs of £402.422m. It is prudent for schemes which are not anticipated to generate additional income to be funded from capital receipts. This will further increase the future pressure on capital receipts generation.

## **16. Unsupported borrowing and the revenue consequences**

- 16.1. The Council can choose what level of unsupported (prudential) borrowing to undertake to fund the capital programme, based on affordability under the prudential code. There is an associated revenue cost to fund the cost of the unsupported borrowing. This consists of the Minimum Revenue Provision (MRP) charge for the repayment of the principal amount, based on the asset life method and the interest charge associated with the borrowing. The current PWLB borrowing rate over 25 years is around 2.40% and is currently only projected to rise by around 0.30% across the next 18 months. As covered in Section 15 above there are insufficient receipts in hand/projected to finance the existing approved programme. If there were to be a requirement for new schemes financed from borrowing, this could be accommodated from within

existing borrowing and current cash balances in the short term, without the requirement to undertake new borrowing. This would, however, create an additional MRP cost, which would need to be met from the revenue budget.

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

Revenue and Capital Budget 2019/20

Financial Rules

Financial Monitoring Report – Quarter 1 2019/20

Financial Monitoring Report – Quarter 2 2019/20

Financial Monitoring Report – Quarter 3 2019/20

**Appendices**

1. Service Area Outturn 2019/20
2. Housing Revenue Account 2019/20
3. Amendments to Original Revenue Budget 2019/20
4. Reserves and Provisions 2019/20
5. Capital Budget and Expenditure 2019/20

**Service Area Outturn 2019/20****Summary**

| Directorate                        | Full year          |                              |                                | RAG BY   | FOR INFO ONLY   |                                       |                         |
|------------------------------------|--------------------|------------------------------|--------------------------------|----------|---|---------------------------------------|-------------------------|
|                                    | Net Budget<br>£    | Controllable<br>Outturn<br>£ | Controllable<br>Variation<br>£ |          | Outturn (incl.<br>Non<br>Controllable<br>items*)<br>£ | Non<br>Controllable<br>Variation<br>£ | Total<br>Variation<br>£ |
| Adult Services                     | 107,822,930        | 108,708,418                  | 885,488                        | G        | 109,080,339   | 371,921                               | 1,257,409               |
| Central DSG                        | -                  | -                            | -                              | G        | -   | -                                     | -                       |
| Children's Services                | 49,862,833         | 56,530,881                   | 6,668,048                      | R        | 57,167,120  | 636,240                               | 7,304,287               |
| Corporate Budgets                  | (5,235,570)        | (16,587,912)                 | (11,352,342)                   | Y        | (18,456,407)  | (1,868,495)                           | (13,220,837)            |
| Finance, Governance<br>& Assurance | 2,828,070          | 2,280,326                    | (547,744)                      | Y        | 2,325,409   | 45,082                                | (502,661)               |
| Legal & Democratic<br>Services     | 505,730            | 380,318                      | (125,412)                      | Y        | 391,924   | 11,606                                | (113,806)               |
| Place                              | 57,655,110         | 63,911,265                   | 6,256,155                      | R        | 64,481,128  | 569,863                               | 6,826,018               |
| Strategic<br>Management Board      | (14,230)           | (106,728)                    | (92,498)                       | Y        | (107,119)   | (392)                                 | (92,889)                |
| Workforce &<br>Transformation      | 413,887            | 413,719                      | (168)                          | Y        | 607,393   | 193,675                               | 193,506                 |
| <b>TOTAL</b>                       | <b>213,838,760</b> | <b>215,530,287</b>           | <b>1,691,527</b>               | <b>G</b> | <b>215,489,786</b>                                    | <b>(40,500)</b>                       | <b>1,651,026</b>        |

\*The non-controllable items included in the table above include items such as depreciation, impairment of assets, other capital charges and IAS19 (pension costs) that are not included within service projections throughout the year. These charges are produced at the year-end as they are calculated as part of the closedown procedures. The budgets for the year are set in the February of the preceding financial year, and rather than reallocate these budgets at the year end to match where the accounting entries are processed, we allow variations from budget to be reported instead. With the exception of insurance costs, the net effect of these variations across the Council will always be nil, as any overspends within non-controllable budgets for service areas will be offset by a Corporate underspend which reflects the statutory requirement that any variations in these budgets should not impact on the Council Tax payer and ultimately the Council Tax that we charge.

**Detail of Controllable Outturn and Variations**

| ADULT SERVICES | Full Year   |                              |                               | RAGY |
|----------------|-------------|------------------------------|-------------------------------|------|
|                | Budget<br>£ | Controllable<br>Outturn<br>£ | Controllable<br>Variance<br>£ |      |
| Total          | 107,822,930 | 108,708,418                  | 885,488                       | G    |

|   |   |           |           |           |   |
|---|---|-----------|-----------|-----------|---|
| Adult Services Business<br>Support and<br>Development | Portfolio Holder Adult<br>Social Services and<br>Climate Change | 3,420,180 | 3,267,959 | (152,221) | Y |
|---|---|-----------|-----------|-----------|---|

There is an underspend within Business Support and Development of (£0.152m) which is largely due to a number of managed vacancies across the service. The vacancies are not sustainable beyond the short-term, but have not impacted service delivery in 2019/20. A summary of the major variances are as follows:

- (£0.084m) underspend on Business Support. This is largely down to staffing and costs associated with the posts, due to delays in appointing to vacant posts and staff movements within the service.
- (£0.042m) underspend on Joint Training and the Professional Development Unit which relates to reduced service delivery and staffing costs. This is offset by an under achievement of income/loss of grants.
- (£0.024m) underspend on Project costs where we have not managed to roll budget into service delivery. There will be a corresponding overspend within Social Care Operations.

|                                  |  |           |           |        |          |
|----------------------------------|--|-----------|-----------|--------|----------|
| <b>Adult Services Management</b> | <b>Portfolio Holder Adult Social Services and Climate Change</b> | 2,667,680 | 2,711,984 | 44,304 | <b>G</b> |
|----------------------------------|--|-----------|-----------|--------|----------|

There is an overspend within Adult Services Management of £0.044m. A summary of the major variances are as follows:

- (£0.056m) underspend on staffing due to in year delays in recruitment to Service Manager posts.
- £0.050m overspend on the Apprenticeship Levy.
- £0.050m one-off overspend on IT consultancy charges due to investment in new technology.

|                          |  |           |           |           |          |
|--------------------------|--|-----------|-----------|-----------|----------|
| <b>Provider Services</b> | <b>Portfolio Holder Adult Social Services and Climate Change</b> | 2,787,890 | 2,592,026 | (195,864) | <b>Y</b> |
|--------------------------|--|-----------|-----------|-----------|----------|

There is an underspend within Provider Services of (£0.196m). The major variances are as follows:

- (£0.154m) underspend on preventative services contracts and increased Shared Lives Housing Benefit. This is a one-off saving in year.
- (£0.262m) underspend across all Day Services. (£0.101m) due to in year staffing vacancies. (£0.057m) due to overachievement of CHC income and (£0.104m) due to reducing the provision for bad debt.
- £0.066m historic overspend relating to Four Rivers Nursing Home, due to higher than budgeted staff costs, including agency spend of £0.148m.
- £0.156m overspend relating to the START teams, this is due to the growth of the service to take over cases previously dealt with by external providers. There is a corresponding underspend in Social care Operations.

|                         |  |           |           |        |          |
|-------------------------|--|-----------|-----------|--------|----------|
| <b>Housing Services</b> | <b>Portfolio Holder Housing and Strategic Planning</b> | 3,199,410 | 3,245,651 | 46,241 | <b>G</b> |
|-------------------------|--|-----------|-----------|--------|----------|

There is an overspend within Housing Services of £0.046m. The major variances are as follows:

- (£0.007m) underspend on staffing due to in year staff vacancies.
- (£0.052m) net effect of over-achievement of income targets linked to savings plans. These have been built into 20/21 income savings
- £0.052m increase of bad debt provision
- £0.053m net effect of temporary accommodation overspend of £0.404m, which was offset by the use of one-off flexible homelessness grant and reserves (£0.350m)

|                               |  |            |            |         |          |
|-------------------------------|--|------------|------------|---------|----------|
| <b>Social Care Operations</b> | <b>Portfolio Holder Adult Social Services and Climate Change</b> | 91,087,340 | 91,700,698 | 613,358 | <b>G</b> |
|-------------------------------|--|------------|------------|---------|----------|

There is an overspend of £0.613m within the Social Care Operations section of Adult Services. The major variances are as follows:

- £1.398m overspend within the purchasing budget. Although we have not seen a material increase in service user numbers there are more service users with complicated needs aged 18-24 that are higher costs than elderly low level support service users. Coupled with growing average weekly costs of care, this has led to an overspend in provision. Growth allocated in 20/21 should solve this problem. We have also increased the bad debt provision in this area, which equates to £0.180m of the overspend.
- (£0.424m) underspend on all operational social work staffing due to delays in appointing to a number of staff vacancies. This is not sustainable in the longer term.
- £0.041m overspend within maintenance costs across social care operations mainly with regards to occupational therapy equipment and supported living properties.
- £0.136m overspend on transport costs.
- (£0.537m) underspend on OT equipment. A decision was made to fund this spend from Capital monies which has freed up the revenue budget

|                             |  |           |           |          |          |
|-----------------------------|--|-----------|-----------|----------|----------|
| <b>Bereavement Services</b> | <b>Deputy Portfolio Holder Public Health</b> | (217,880) | (256,371) | (38,491) | <b>Y</b> |
|-----------------------------|--|-----------|-----------|----------|----------|

Overall, an underspend of (£0.038m) is reported, as work on grounds maintenance has improved the cemetery areas and resulted in a greater number of burial plots available for sale, increasing Council revenues.

|   |   |           |           |           |   |
|---|---|-----------|-----------|-----------|---|
| <b>Regulatory Services</b>  | <b>Portfolio Holder<br/>Communities, Place<br/>Planning and Regulatory<br/>Services</b> | 3,061,800 | 2,850,589 | (211,211) | Y |
| An underspend of (£0.211m) is reported due to a number of vacant posts within the service and the long term secondment of a Team Manager. Plans are in place to appoint to the vacant posts and the budget for the Team Manager is required to be held substantively; therefore the underspend variance is not sustainable beyond the short term.   |   |           |           |           |   |
| <b>Trading Standards and<br/>Licensing</b>  | <b>Portfolio Holder<br/>Communities, Place<br/>Planning and Regulatory<br/>Services</b> | 960,050   | 730,801   | (229,249) | Y |
| (£0.145m) of the (£0.229m) variance is as a result of overperformance on Penalty Charge Notice income compared with the annual target set. Penalty Charge Notice income generated as a result of Parking Enforcement activities are performed on a cost recovery basis and therefore any surplus is reinvested into the delivery of the services. The remaining underspend variance of (£0.084m) is due to a number of vacant posts within the service and long term absences. Plans are in place to appoint to the vacant posts and therefore this underspend variance is not sustainable beyond the short term.   |   |           |           |           |   |
| <b>Registrars and Coroners</b>  | <b>Deputy Portfolio Holder<br/>Public Health</b>  | 795,530   | 739,257   | (56,273)  | Y |
| An underspend of (£0.056m) is reported due to lower than expected Coroner fees and higher than budgeted Registration Fee income. The Registration service continues to operate commercially in order to maximise income and control its costs and has delivered £0.040m of savings in 2019/20.  |   |           |           |           |   |
| <b>Non Ring Fenced Public<br/>Health Services</b>   | <b>Deputy Portfolio Holder<br/>Public Health</b>  | 33,250    | 317,282   | 284,032   | R |
| Public Health services funded from Council budgets have been reviewed and savings have been made through the decommissioning of non-mandatory services and staffing restructures. The intention to close the Shrewsbury CCTV monitoring service to generate a saving has now been rescinded and therefore the operating costs of this service are a £0.225m cost pressure to the Council in 2019/20. This includes previously unachieved savings of £0.113m on the CCTV budget. Discussions are ongoing with partner organisations in order to identify potential funding streams to offset annual operating costs. In addition to this, a number of savings were not fully achievable in 2019/20 as they are subject to statutory time scales, such as 45 day consultation periods in relation to staffing restructures, leading to a delay in achievement.                        |   |           |           |           |   |
| Therefore, Non Ring Fenced Public Health services are reporting an overspend of £0.284m in 2019/20.   |   |           |           |           |   |
| <b>Ring Fenced Public<br/>Health Services</b>   | <b>Deputy Portfolio Holder<br/>Public Health</b>  | 27,680    | 808,542   | 780,862   | R |
| Services funded from the Ring Fenced Public Health grant have been reviewed and savings have been made through the decommissioning of non-mandatory services and from the realisation of synergies as Public Health has been subsumed within the Adult Services directorate from 1st April 2019.  |   |           |           |           |   |
| A number of savings from the Ring Fenced funded services have been delayed and were therefore not fully achievable in 2019/20 as they are subject to statutory time scales, such as 45 day consultation periods in relation to staffing restructures. A restructuring of the Substance Misuse team to work more closely with the Adult Social Care commissioning team has been implemented on 1st October 2019, resulting in redundancies from the existing Public Health team.   |   |           |           |           |   |
| Further savings achieved include the decommissioning of non-mandated services provided by Help2Chang. This has resulted in staff redundancies and a reduction in services from 1st September 2019.  |   |           |           |           |   |
| Further pressures on the Public Health budget include unachievable savings which have been committed in prior financial years, however, the cost pressures remain in the service and impact on the level of savings that can be achieved; this includes pathology services, FP10 prescribing, inpatient beds and Children and Young People's hubs. In addition, cost pressures remain due to; increasing costs and expenditure on prescribing (a nationally identified budget pressure) which has exceeded budgeted levels, and the out of hours call monitoring contract which is resulting in an overspend as the financial resources allocated have been removed as savings. Work continues to review services and budgets in order to identify opportunities to reduce the overspend in Public Health services and to return the services to financial balance in future years. |   |           |           |           |   |

| CENTRAL DSG  | Full Year   |                              |                               | RAGY     |
|--------------|-------------|------------------------------|-------------------------------|----------|
|              | Budget<br>£ | Controllable<br>Outturn<br>£ | Controllable<br>Variance<br>£ |          |
| <b>Total</b> | -           | -                            | -                             | <b>G</b> |

|                    |  |   |   |   |          |
|--------------------|--|---|---|---|----------|
| <b>Central DSG</b> | <b>Deputy Portfolio Holder<br/>Education</b> | - | - | - | <b>G</b> |
|--------------------|--|---|---|---|----------|

There was an overspend of £1.368m against the Central DSG budget. This is the in-year deficit which when added to last year's deficit of £0.879m results in the Central DSG reporting a cumulative deficit of £2.247m.

The Department for Education requires Local Authorities to submit a DSG deficit recovery plan in the event that their cumulative DSG overspend at the end of a financial year, exceeds 1% of their DSG allocation. Given that Shropshire's DSG allocation for 2019-20 is currently £204.587m the 1% threshold is equal to £2.046m and therefore the cumulative deficit position being reported of £2.247m breaches this limit and triggers the requirement for a detailed DSG deficit recovery plan to be submitted to the Department.

To recover this deficit and bring the Central DSG back into balance, a task and finish group comprising various stakeholders has been exploring strategies to generate savings to be included in this plan. The focus of their work has been the High Needs Block.

£1.127m of the £1.368m overspend on Central DSG related to the High Needs Block of DSG where the total High Needs budget was £26.165m comprising a published High Needs Block DSG allocation of £25.768m plus the transfer of £0.397m from the Schools Block of DSG to the High Needs Block DSG as approved by Schools Forum. The main budget pressures related to top-up funding to mainstream settings (£0.270m), post 16 further education colleges (£0.488m) and independent special school placements (£0.175m).

The overspend on independent special school placements mirrors the national picture being reported by the f40 group of local authorities, concluding increasing demand for independent special school placements, and higher contributions from education towards joint social care placements signalling increasing complexity of children's needs. The overspend on Post 16 further education is also a national pressure. The Council has and will continue to experience significant expenditure growth in this area as a direct result of changes in legislation which has seen local authorities having significant new statutory duties for students with special educational needs up to the age of 25 years under the Childrens and Families Act (September 2014). As a result, Shropshire has seen a sharp increase in students with SEN requiring additional support in further education year on year. The local authority's SEN team work closely with local colleges to increase accessibility to education within mainstream colleges rather than more expensive independent specialist providers.

The outturn position for the Early Years Block of DSG is an overspend by £0.558m on a provisional budget of £15.565m. This overspend was identified once the Spring Term Nursery payments for two, three and four year olds had been processed. The main reason for this pressure is a large overspend in relation to the Early Years allocations for two, three and four year old nursery entitlement. The Council has experienced a higher take up of provision in this year than previously resulting in a greater draw on the funding. Across the course of the year there were more children taking up provision over the course of the year for whom the Council receives funding through the Early Years National Funding Formula. The Council will receive some compensation for this when the 2019/20 funding allocation is revised to take account of the January 2020 census figures. However, we will only receive 5/12ths of the full year funding for those additional children.

There are one-off budget monitoring pressures and savings on some Central DSG budget areas which partially offset the large overspends on the Early Years and High Needs Blocks of DSG to give the in-year deficit position of £1.367m.



| CHILDREN'S SERVICES                            |   | Full Year         |                              |                               | RAGY     |
|--|---|-------------------|------------------------------|-------------------------------|----------|
|  |   | Budget<br>£       | Controllable<br>Outturn<br>£ | Controllable<br>Variance<br>£ |          |
| <b>Total</b>                                   |   | <b>49,862,833</b> | <b>56,530,881</b>            | <b>6,668,048</b>              | <b>R</b> |
| <b>Children's Social Care and Safeguarding</b> | <b>Portfolio Holder Children's Services</b> | 30,463,983        | 35,160,958                   | 4,696,975                     | <b>R</b> |

Although there were no unachieved savings targets in Children's Social Care and Safeguarding in 2019/20 the service continued to experience ongoing budget pressures which reflects the national picture.

The largest budget pressure of £1.271m was caused by agency staffing costs in the social work teams. This pressure has continued from previous years. It is necessary to ensure that children who are looked after, on a Child Protection Plan or children in need of a plan are adequately supported in line with statutory timescales and this will dictate that sickness, maternity or temporary vacancy must be covered in the interim through agency staff. There is also a heavy reliance on agency social workers due to the number of social worker vacancies and the challenges in recruiting to vacant posts. The service remains focused on recruitment and retention with the identification of a dedicated HR worker to support with the timely recruitment of social workers. The recruitment campaign for children's services has been reviewed and updated and we are part of two graduate programmes for social work including Frontline and Step Up. The service has also recently appointed 8 social work apprentices. A retention payment has been made available to retain social workers in the teams that are hardest to recruit. This strategy in itself led to a further one-off budget pressure of £0.160m on staffing but this strategy should reduce costs over the longer term. There has been some success in recruiting to a number of social worker posts in the latest round of recruitment, however as a number of the new starters are inexperienced, agency workers will be required to stay in post for a limited time to support these new social workers until such time that they are able to take on full caseloads. Due to increasing caseloads as a result of increasing Looked-after-children (LAC) numbers in 2018-19 there are currently a number of additional capacity agency social workers who are not covering vacant posts but taking on additional caseloads or supporting ASYE's with their caseloads. It is estimated that £0.165m of the £1.271m overspend related to these additional capacity agency workers.

There is a highly complex financial position across Children's Placements in 2019/20. In the summer of 2018 a detailed Children's Placements growth modelling exercise was undertaken to understand the budget required for Children's placements for 2019/20 and ongoing taking account of a projected increase in Looked-after-children (LAC) numbers, contributions towards these placements from other partners and existing strategies to manage the budget pressures e.g. growth of internal residential homes. The result of this exercise was to build £2.294m expenditure growth into the Children's Placements budget for 2019/20 with this growth allocated across both residential and fostering placements as forecast in the growth modelling exercise. Due to this growth in budget there was a relatively small budget pressure of £0.782m on external residential placements and both internal and external fostering budgets. A commissioning and contracts manager was appointed earlier in the financial year to scrutinise high cost residential placements with private providers where the Council is incurring additional costs relating to the child, which may include 1:1 or 2:1 levels of care, therapeutic intervention and education provision. By providing monitoring of these placements to provide assurance of value for money and challenge as to whether the increased levels of support often provided at a start of a placement could be reduced, this post has successfully managed to generate in-year savings of £0.109m therefore reducing the overall budget pressure as well as covering its own cost.

At the end of the 2018/19 financial year, the Council embarked on a strategy to develop additional in-house internal residential provision. There has been capital investment of £0.710m to acquire 3 properties with the aim that these 3 children's homes will deliver revenue savings through supporting a few of the children in our highest cost placements at a lower cost than the market rate. One home has opened in February and is operational while the second home is anticipated to open once Ofsted have undertaken their inspection and assessment. This process has been delayed due to Covid-19. For this second home, some residential care staff have been recruited and have started their roles in advance of the opening in order to undertake the necessary training. This home was planned to open in April but this has been delayed due to the impact of Covid-19. A third property has been purchased but no staff have been appointed for this home. In the meantime, there was an overspend of £0.524m from the work required in this interim period, however this is being categorised as a one-off pressure as the homes should generate savings on external placements once fully operational.

Children's Safeguarding are committed to increasing foster placement sufficiency so that the Council can care for more looked after children within a family environment. This is not only in the best interests of the majority of

looked after children but will lead to significant financial savings. The aim is to increase the pool of foster carers and look to identify and support foster carers with looking after more complex children. This will reduce demand for expensive residential provision. An ongoing monitoring pressure of £0.271m relates to increased capacity built into the Children’s Placement Service to enable the recruitment of more carers and retain and support current carers. A business case was approved to permit this.

Elsewhere, there was also an ongoing budget monitoring pressure of £0.297m being reported in the Adoption Service. This relates specifically to Special Guardianship Allowances. No growth was built into the budget for 2019/20, however we have continued to see an increase in Special Guardianship Orders issued. These are less costly options than residential or fostering placements and give a child more permanence than a regular fostering arrangement. The increase in SGOs mirrors the national trend where there has been a steep increase in the number of SGOs over the past 8 years. Significant expenditure growth has been built into 2020/21 budget to address this pressure.

There was a budget pressure of £0.125m against the Leaving Care Team. Following changes in statutory guidance that mean that; Personal Advisors are now required to offer support to all care leavers up until the age of 25 years (an increase from the previous age of 21 years), this means that young people will be remaining in the service for longer increasing capacity issues within the team. As a result of this and recommendations from a Department for Education National Advisor on Care Leavers and a “requires improvement” Ofsted judgement, a number of strategies have been put in place to address this. One such strategy that was agreed via a business case was to increase the number of Personal Advisors in the team and to enhance the offer available to care leavers. Expenditure growth has been built into 2020/21 budget to address this pressure.

There was a one-off pressure of £0.347m in the Disabled Children’s Team. The majority of this relates to an increase in Disabled Children’s Team Direct Payments and prevention and support payments. This is being categorised as one-off rather than ongoing as some of this increased expenditure will be a direct consequence of the temporary closure of the Council’s commissioned overnight short breaks provision.

The bad debt provision for the service area has been increased by £0.343m in 2019/20 following a detailed review of the service’s aged debt and the likelihood of this being recovered. This has led to not only a £0.343m overspend being reported but an increase of £0.343m compared to the position previously reported due to the timing of this decision.

The remaining £0.576m forecast overspend relates to one-off monitoring pressures on non-staffing budgets such as barrister fees, transport recharges and interpreting fees across several social work teams.

|   |   |           |           |           |   |
|---|---|-----------|-----------|-----------|---|
| <b>Early Help, Partnerships and Commissioning</b> | <b>Portfolio Holder Children’s Services</b> | 2,024,260 | 1,789,211 | (235,049) | Y |
|---|---|-----------|-----------|-----------|---|

One-off monitoring savings have been achieved in various teams within the Early Help budget area. £0.156m of the overall underspend of £0.235m relates to Family Hubs where a combination of underspends against premises related budgets for the 6 new Family Hubs and in year vacancy management has delivered one-off savings.

An underspend totalling £0.053m relates to the Early Help Commissioned Services budget and specifically the early achievement of a 2020/21 savings target.

An underspend of £0.016m is reported against the Local Youth Commissioning budgets. On 22nd January 2020, Cabinet approved to cease the current commissioning model and agree a new model of Targeted Youth Support which will be managed in-house as part of Shropshire’s Early Help provision. On the basis that this new delivery model will require additional investment to reduce the demand in Children’s Social Care it is considered that this underspend will not continue.

The remaining £0.010m underspend was one-offs against a range of Early Help teams including Parenting, Specific Needs Clubs and the Family Information Service.

|                                       |   |         |         |        |   |
|---------------------------------------|---|---------|---------|--------|---|
| <b>Children’s Services Management</b> | <b>Portfolio Holder Children’s Services</b> | 334,860 | 352,361 | 17,501 | G |
|---------------------------------------|---|---------|---------|--------|---|

Minor variation from budget at outturn

| <b>Learning and Skills</b>  | <b>Deputy Portfolio Holder Education</b> | 17,039,730 | 19,228,350 | 2,188,620 | <b>R</b> |
|---|--|------------|------------|-----------|----------|
| <p>The final outturn position reflects unachieved savings within Home to School Transport where the 2019/20 savings target was £0.717m. On 22 May 2019, a paper was presented to Cabinet on the discretionary areas of School and College Transport comprising: nursery SEND pupil transport, SEND post 16 students and post 16 mainstream students. This paper followed an extensive seven week consultation process and recommended a number of revised policy changes to these discretionary areas to deliver savings taking account of concerns raised by parents and carers within the consultation process. The revised recommendations that were approved by Cabinet will deliver £0.110m of the original £0.203m proposed savings that were consulted on.</p>   |  |            |            |           |          |
| <p>To address the remaining £0.607m savings target the Passenger Transport team will continue to develop other innovative savings strategies such as Personal Transport Budgets, Independent Travel Training, and reducing costs in areas such as single occupancy taxis, TMBSS and Exclusion Transport. Some of these strategies were implemented from the start of the new academic year, however work is ongoing to determine the value of savings that have been achieved in 2019/20.</p>   |  |            |            |           |          |
| <p>The overall overspend in Home to School Transport was £2.091m. This means there were budget pressures of £1.374m in addition to the unachieved savings. Comparing the total expenditure to 2018/19 shows an increase in expenditure of £0.685m in 2019/20. £0.351m of this increase relates to Special Education Needs transport, an increase of 7.6%. In addition to the established trend of an increase in SEN passenger numbers, the service has also experienced an increase in the complexity of the needs of the children that are being transported which has had the effect of increasing unit costs per passenger. The introduction of a new Post-19 policy as approved by Cabinet, imposing a duty on the Council to make transport arrangements for adult learners aged 19 and over attending educational institutions has also increased expenditure in this area. Significant expenditure growth has been built into the budget for 2020/21 to deal with this shortfall in budget.</p> |  |            |            |           |          |
| <p>The remaining £0.334m increase relates to mainstream transport costs and the costs of running the schools fleet.</p>   |  |            |            |           |          |
| <p>Learning and Skills' financial position has suffered from reductions in Central Government grants, specifically the loss of Dedicated Schools Grant funding. This was a direct result of a baselining exercise undertaken by the Department for Education to remove any Dedicated Schools Grant funding that did not meet strict criteria that constitutes a historic spending commitment, but that fund statutory functions that the Council is required to undertake. The pressure which has continued from 2018/19 was £0.194m. Growth has been built into the budget for 2020/21 to deal with this shortfall in budget.</p>  |  |            |            |           |          |
| <p>There was a £0.048m overspend in Governor Services. A redesign of Governor Services was implemented and the consequence of this has been a reduction in the size of the team with the Casual Governor Services Clerks ceasing to be employed by the Council from 1st April 2019, now employed directly by schools/MATs. The revised model of a Governor advisory service did not deliver the level of buyback income from schools to cover its costs causing the overspend. A £0.056m overspend relates to one-off costs incurred in supporting the implementation of a new Education Management System from April 2021. There have also been net overspends totalling £0.043m across a number of service areas.</p>   |  |            |            |           |          |
| <p>The cost pressures above were partially offset by a £0.243m one-off underspend on the Council's schools redundancy budget. This budget funds redundancy and pension strain costs for schools' teaching and non-teaching staff where it has been assessed that the Council should fund these costs rather than the school directly. There have been a much smaller number of redundancies funded in this financial year compared to previous years. This is partly explained by a reducing number of maintained schools. It is noteworthy that maintained schools do contribute to this overall budget through a top-slice approved by Schools Forum and decrease in expenditure in 2019/20 will lead to a smaller contribution from schools in the 2020/21 financial year.</p>   |  |            |            |           |          |

| CORPORATE BUDGETS | Full Year          |                              |                               | RAGY     |
|-------------------|--------------------|------------------------------|-------------------------------|----------|
|                   | Budget<br>£        | Controllable<br>Outturn<br>£ | Controllable<br>Variance<br>£ |          |
| <b>Total</b>      | <b>(5,235,570)</b> | <b>16,725,347</b>            | <b>(11,489,777)</b>           | <b>Y</b> |

| Corporate Budgets   | Portfolio Holder Finance<br>and Corporate Support         | (5,235,570) | (16,725,347) | (11,489,777) | Y        |
|---|---|-------------|--------------|--------------|----------|
| <p>Savings have been confirmed in year from MRP of (£0.621m), and savings of (£0.800m) against the expected interest receivable and payable budgets. An early review of funds held for corporate inflation identified a one-off in year saving of (£0.685m).</p> <p>Savings of (£0.107m) were achieved relating to reduced expenditure on staffing and subscriptions, (£0.086m) was achieved from savings realised on PFI contracts, (£0.050m) was achieved against external audit expenditure, and an underspend was achieved against non-distributable costs of (£0.087m). There was an overspend relating to a reduction in profit share from WME £0.086m.</p> <p>One-off corporate funding from MRP, s31 grant and Pension Fund advance payments totalling (£5.170m) was applied to the Quarter 2 position to offset pressures arising in Adults and Children's Services. A further (£1.000m) s31 grant was applied at Quarter 3. The availability of Corporate funds to address any future issues arising is now extremely limited. A final review of MRP budgets at period 11 confirmed uncommitted budget of (£1.682m). At year end additional grant allocations were received and applied totalling (£0.401m), and additional s31 grant was applied of (£0.885m).</p> |   |             |              |              |          |
| <b>Business Continuity -<br/>Covid 19</b>   | <b>Portfolio Holder Finance<br/>and Corporate Support</b> | -           | -            | -            | <b>G</b> |
| No variation from budget at outturn.  |   |             |              |              |          |

| FINANCE, GOVERNANCE & ASSURANCE | Full Year        |                              |                               | RAGY     |
|---------------------------------|------------------|------------------------------|-------------------------------|----------|
|                                 | Budget<br>£      | Controllable<br>Outturn<br>£ | Controllable<br>Variance<br>£ |          |
| <b>Total</b>                    | <b>2,828,070</b> | <b>2,280,326</b>             | <b>(547,744)</b>              | <b>Y</b> |

| Audit Services   | Portfolio Holder Finance<br>and Corporate Support         | (4,450)   | (84,315)  | (79,865)  | Y        |
|--|---|-----------|-----------|-----------|----------|
| Underspends within staffing budgets totalled (£0.057m) whilst there was an overachievement of external income of (£0.030m) against the budget. |   |           |           |           |          |
| <b>Finance</b>   | <b>Portfolio Holder Finance<br/>and Corporate Support</b> | 109,990   | 122,366   | 12,376    | <b>G</b> |
| Minor variation from budget at outturn.  |   |           |           |           |          |
| <b>Pension Administration<br/>Services</b>   | <b>Portfolio Holder Finance<br/>and Corporate Support</b> | 53,720    | 57,928    | 4,208     | <b>G</b> |
| Minor variation from budget at outturn.  |   |           |           |           |          |
| <b>Revenues and Benefits</b>   | <b>Portfolio Holder Finance<br/>and Corporate Support</b> | 2,142,310 | 2,024,004 | (118,306) | <b>Y</b> |

The housing benefit subsidy saw an overspend of £0.573m. This reflects a position which has worsened over the last few years. Actions to halt this trend include addressing the growing level of homelessness in the county and reducing the reliance on bed and breakfast accommodation. However, for this financial year a number of one-off savings mitigated this overspend and ensured an underspend overall across the service area. Vacancy management created an underspend of (£0.240m) and an adjustment to the bad debt provision created unbudgeted income totalling (£0.172m). One off savings in IT and software costs saved a further (£0.142m) whilst grant income was (£0.109m) above budget.

|  |   |         |          |           |   |
|--|---|---------|----------|-----------|---|
| <b>Treasury Services</b>   | <b>Portfolio Holder Finance and Corporate Support</b> | 3,510   | (51,359) | (54,869)  | Y |
| An income overachievement created a (£0.033m) saving, whilst savings in expenditure budgets provided a further (£0.022m) underspend.   |   |         |          |           |   |
| <b>Commissioning Development and Procurement</b>   | <b>Deputy Portfolio Holder Procurement</b>            | 483,740 | 203,704  | (280,036) | Y |
| A new income stream has been identified by the Commissioning Development and Procurement team, and this created (£0.250m) of unbudgeted income in the 2019-20 financial year. This income has been budgeted for in the 2020-21 budget and has helped achieve corporate savings targets whilst retaining some flexibility for the service area. |   |         |          |           |   |
| <b>Risk Management and Insurance</b>   | <b>Portfolio Holder Finance and Corporate Support</b> | 39,250  | 7,997    | (31,253)  | Y |
| Small savings across controllable budgets in the Risk Management and Insurance and Emergency Planning budgets generated this small one-off underspend.   |   |         |          |           |   |

| LEGAL AND DEMOCRATIC SERVICES | Full Year      |                        |                         | RAGY     |
|-------------------------------|----------------|------------------------|-------------------------|----------|
|                               | Budget £       | Controllable Outturn £ | Controllable Variance £ |          |
| <b>Total</b>                  | <b>505,730</b> | <b>380,318</b>         | <b>(125,412)</b>        | <b>Y</b> |

|  |   |         |           |           |   |
|--|---|---------|-----------|-----------|---|
| <b>Democratic Services</b>   | <b>Portfolio Holder Finance and Corporate Support</b> | 320     | (138,752) | (139,072) | Y |
| There have been in year efficiencies relating to vacancy management (£0.016m), efficiencies across supplies and services (£0.020m) and additional income generation of (£0.028m) across Committee Services. Further in year savings have been identified within Member Services of (£0.075m) relating to training, supplies and services, and allowances.  |   |         |           |           |   |
| <b>Elections</b>   | <b>Portfolio Holder Finance and Corporate Support</b> | 497,050 | 313,593   | (183,457) | Y |
| Application of the IER/JLB grant at year end of (£0.121m) and income relating to Elections Services has contributed (£0.050m) towards the overall underspend for the service.  |   |         |           |           |   |
| <b>Legal Services</b>  | <b>Portfolio Holder Finance and Corporate Support</b> | 8,360   | 205,477   | 197,117   | R |
| The budget pressure within Legal Services in relation to increased support costs within the child care service has resulted in additional staffing resources being required to include both employed and locum staffing of £0.188m and increased legal disbursement costs of £0.102m. These increased costs have been offset in part by additional income of (£0.043m), and savings due to the spending freeze of (£0.050m). |   |         |           |           |   |

| PLACE   |  | Full Year         |                              |                               | RAGY     |
|---|--|-------------------|------------------------------|-------------------------------|----------|
|   |  | Budget<br>£       | Controllable<br>Outturn<br>£ | Controllable<br>Variance<br>£ |          |
| <b>Total</b>  |  | <b>57,655,110</b> | <b>63,911,265</b>            | <b>6,256,155</b>              | <b>R</b> |
| <b>Head of Commercial Services</b>  | <b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b> | 143,490           | 207,655                      | 64,165                        | <b>A</b> |
| An unallocated savings target of £0.050m remained unachieved at year end. This will carry into the 2020/21 budget and will be tackled commercially.   |  |                   |                              |                               |          |
| <b>Corporate Landlord</b>   | <b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b> | 1,458,710         | 2,236,180                    | 777,470                       | <b>R</b> |
| <p>Following the decision to pause the Shirehall redevelopment project, previously incurred costs totalling £0.381m were charged to revenue. Repairs and maintenance of the estate remains a huge challenge; this budget was overspent by £1.032m, although this was offset by a reserve drawdown totalling (£0.966m); a one-off mitigation for this financial year.</p> <p>Mardol House and The Tannery outturned at £0.120m over budget, primarily due to income shortfall on unfilled rooms, and retail space being unable to be let out during the construction of the adjacent medical practice. The level of occupancy in the student rooms was maximised prior to Covid-19 with the majority of rooms being filled.</p> <p>Smallholdings were £0.081m over budget. It is anticipated that this is a one-off overspend following progression of a number of urgent maintenance issues.</p> <p>The council's admin buildings outturned at £0.110m over budget. Despite savings being realised in building efficiencies, a loss of income was suffered, in particular by the courts relocating from Shirehall.</p> <p>Gypsy and Traveller sites outturned £0.061m over budget. There were water leaks at a number of the sites which have now been rectified.</p> |  |                   |                              |                               |          |
| <b>Facilities Management</b>  | <b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b> | 26,730            | 80,793                       | 54,063                        | <b>A</b> |
| A £0.055m savings target was only partially achieved in 2019-20. £0.026m was unachieved and will be carried forward into 2020-21. The remaining £0.028m overspend related to increased staffing costs in the form of casual staff and overtime, as a means of meeting operational demands.  |  |                   |                              |                               |          |
| <b>Property Services Group</b>  | <b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b> | (35,380)          | 405,714                      | 441,094                       | <b>R</b> |
| £0.436m of the over-spend related to an income shortfall. A significant portion of this shortfall was professional fees at completion that will be processed in 2020/21. As a result of this, the service area is in position to deliver an improved outturn for 2020/21, although factors such as projects slipping or being halted will always be a risk.   |  |                   |                              |                               |          |
| <b>Strategic Asset Management</b>   | <b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b> | 201,090           | 522,932                      | 321,842                       | <b>R</b> |
| A savings target totalling £0.100m relating to improving energy efficiency and savings on energy costs was unachieved in 2019/20. Although a number of projects have been progressed that have both environmental and financial benefits, the initial investment offsets the financial savings until payback can be realised. The staffing budget was overspent by £0.131m, as the service area bought in additional resource to add resilience to a number of key areas. This included short-term agency staff and consultants and so whilst a pressure remains for 2020/21, it will be reduced. A number of unbudgeted items of expenditure were also incurred, including surveys, contractor works, PV maintenance and office reconfigurations, all of which contributed to the overspend.   |  |                   |                              |                               |          |

|   |  |             |           |           |   |
|---|--|-------------|-----------|-----------|---|
| <b>Shire Services</b>   | <b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b> | 204,550     | 204,550   | 0         | G |
| Minor variation from budget at outturn.   |  |             |           |           |   |
| <b>Director of Place</b>  | <b>Portfolio Holder Communities, Place Planning and Regulatory Services</b>        | (443,390)   | 810,518   | 1,253,908 | R |
| The savings target relating to the creation of the Housing Company is within this area and has been fully unachievable in this financial year (£1.025m). Expenditure relating to the setting up of Shropshire Council's Housing Company, Cornovii, up to the point that the company was formed constitutes part of the overspend. The remainder of the overspend relates to unachievable savings targets, some of which is in relation to contract negotiation. |  |             |           |           |   |
| <b>Head of Economic Growth</b>  | <b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b> | 218,910     | 220,368   | 1,458     | G |
| Minor variation from budget at outturn.   |  |             |           |           |   |
| <b>Planning Services</b>  | <b>Portfolio Holder Communities, Place Planning and Regulatory Services</b>        | 1,573,850   | 1,760,050 | 186,200   | R |
| There have been a large number of Building Control enforcement cases requiring officer time to investigate, resulting in additional costs of the Council funded element of this service. In addition, the number of land charges/searches has been lower than at its peak a couple of years ago, resulting in reduced income of £0.070m. These additional costs are slightly reduced by additional net income within Development Management.                    |  |             |           |           |   |
| <b>Economic Growth</b>  | <b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b> | 1,192,720   | 1,060,017 | (132,703) | Y |
| There have been two vacant posts (Project Manager and Project & Sector Development Officer) which have generated a saving on employee costs. In addition, there has been income and use of reserves on specific project activity.   |  |             |           |           |   |
| <b>Broadband</b>  | <b>Deputy Portfolio Holder Broadband</b>   | 191,650     | 162,477   | (29,173)  | Y |
| Additional use of reserves to reduce net expenditure.   |  |             |           |           |   |
| <b>Planning Policy</b>  | <b>Portfolio Holder Housing and Strategic Planning</b>                             | 717,490     | 543,433   | (174,057) | Y |
| As part of the Community Infrastructure Levy (CIL) receipts from developments, up to 5% can be applied to cover revenue costs. In the 2019/20 reconciliation, we were able to demonstrate eligible costs in excess of those anticipated, enabling (previously unused) admin funding to be applied in year, resulting in the net reduction in service cost.  |  |             |           |           |   |
| <b>Shrewsbury Shopping Centres</b>  | <b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b> | (1,859,480) | 1,425,205 | 434,275   | R |
| As changes in the retail sector continue, the shopping centres have been subject to changing lease renewal negotiations. Pressures on the budget have continued all year creating a reduced rental income that totals £0.609m that has been partially offset by a reduction in support service, rates and service charge liabilities of (£0.175m).  |  |             |           |           |   |
| <b>Arts</b>   | <b>Portfolio Holder Culture, Leisure, Waste and Communications</b>                 | 70,910      | 68,662    | (2,248)   | Y |
| Minor variation from budget at outturn.   |  |             |           |           |   |

|  |  |            |            |           |   |
|--|--|------------|------------|-----------|---|
| <b>Highways and Transport</b>  | <b>Portfolio Holder Highways and Car Parking</b>                   | 16,220,990 | 18,461,904 | 2,240,914 | R |
| <p>There are a number of large variances across the service:- an overspend in Winter Maintenance (including some storm related expenditure) of £0.165m, an overspend relating to Street Lighting energy of £0.140m and additional highway maintenance expenditure to address potholes and other road defects. In addition, following consultation on the savings proposals around subsidies for Public Transport and Concessionary Fares, the initial savings were not implemented, (however, any efficiencies have, and continue to be, maximised). In addition there was a significant increase in the cost of subsidised bus routes as passenger numbers dropped significantly during March. The Grey Fleet scheme (the introduction of the Enterprise Car Club to reduce expenditure on mileage reimbursements within service areas) was operational, however, the savings were realised in other service areas, and hence the saving “benefit” has not been reflected back into this budget. In addition, the new parking strategy was implemented in phases from November 2018. Whilst the strategy has been successful in terms of influencing parking behaviour and reducing volumes within the town centre, it has impacted the net income from parking, with net receipts £0.820m lower than anticipated. This includes a reduction in parking income as Storm Dennis and Storm Ciara took effect in February leaving main revenue generating car parks flooded and repairs needed. These additional costs are somewhat offset by additional income generated by the Streetworks team and the application of the Covid-19 grant to offset further lost income throughout the lockdown period in March.</p> |  |            |            |           |   |
| <b>Shropshire Hills AONB</b>   | <b>Portfolio Holder Culture, Leisure, Waste and Communications</b> | 63,110     | 44,373     | (18,737)  | Y |
| <p>Minor variation from budget at outturn.</p>   |  |            |            |           |   |
| <b>Outdoor Partnerships</b>  | <b>Portfolio Holder Culture, Leisure, Waste and Communications</b> | 1,010,980  | 1,033,749  | 22,769    | G |
| <p>Minor variation from budget at outturn.</p>   |  |            |            |           |   |
| <b>Leisure</b>   | <b>Portfolio Holder Culture, Leisure, Waste and Communications</b> | 1,989,560  | 2,261,293  | 271,733   | R |
| <p>A consultant was brought at the beginning of the financial year to review Leisure Services and advise on the future operation of facilities. A decision was made to bring two facilities back in-house on 1st April 2020 which required additional resilience across the service, including IT infrastructure and system upgrades. Additional staffing requirements and a reduction in income at our in-house facilities have led to further pressures on the budget. Additional financial support was provided to a contracted leisure facility in order to try to improve sustainability.</p>   |  |            |            |           |   |
| <b>Libraries</b>   | <b>Portfolio Holder Culture, Leisure, Waste and Communications</b> | 3,380,400  | 3,490,205  | 109,805   | R |
| <p>An unachievable savings target of £0.098m makes up the majority of the overspend, as well as some variances against libraries where the Council received contributions from other organisations, and also additional vehicle maintenance costs incurred by the mobile libraries. This has been partly offset by reduced expenditure on library materials as a result of the spending freeze being implemented earlier in the financial year.</p>  |  |            |            |           |   |
| <b>Museums and Archives</b>  | <b>Portfolio Holder Culture, Leisure, Waste and Communications</b> | 1,401,420  | 1,363,477  | (37,943)  | Y |
| <p>The underspend mostly relates to vacancy management and also income targets exceeding expectations across some facilities. The loss of income at facilities throughout the lockdown period has been alleviated with the application of the Covid-19 grant.</p>  |  |            |            |           |   |
| <b>Theatre Services</b>  | <b>Portfolio Holder Culture, Leisure, Waste and Communications</b> | 13,470     | 72,991     | 59,521    | A |
| <p>The loss of income relating to the current lockdown period has been alleviated somewhat through application of the Covid-19 grant. The largest budgetary pressure relates to increased costs of production expenses.</p>  |  |            |            |           |   |
| <b>Waste Management</b>  | <b>Portfolio Holder Culture, Leisure, Waste and Communications</b> | 28,962,900 | 29,564,836 | 601,936   | R |



It was intended that £1.500m savings would be made in Waste Management in 2019/20 through a review of waste collection and recycling services. Of this figure, £0.800m has been achieved through removing bring bank facilities and removing surplus landfill budget, as the annual volume of waste sent to landfill is significantly below the contracted level. The remaining £0.700m savings target will not be achieved and has been removed at 2020/21 budget setting due to Members decision not to implement green waste savings. In year, the budget pressure caused by the unachieved saving has been offset by the low tonnage of waste sent to landfill this year and by increased income generated from third party use of the Energy Recovery Facility.

|   |  |         |         |         |   |
|---|--|---------|---------|---------|---|
| <b>Head of Infrastructure and Communities</b> | <b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b> | 169,920 | 345,028 | 175,108 | R |
|---|--|---------|---------|---------|---|

The pressure in this area relates to management changes.

|                                   |  |         |         |           |   |
|-----------------------------------|--|---------|---------|-----------|---|
| <b>Commercial Investment Team</b> | <b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b> | 649,010 | 121,678 | (527,332) | Y |
|-----------------------------------|--|---------|---------|-----------|---|

2019/20 was the first year of a dedicated and budgeted Commercial Investment team and hence no savings target had been attributed. The underspend relates to staffing savings following the period of time establishing the team. A number of individuals have now been appointed, and a savings target of (£0.500m) has been budgeted for in 2020/21.

|   |  |         |         |         |   |
|---|--|---------|---------|---------|---|
| <b>Head of Culture, Leisure &amp; Tourism</b> | <b>Portfolio Holder Culture, Leisure, Waste and Communications</b> | 131,500 | 293,588 | 162,088 | R |
|---|--|---------|---------|---------|---|

Some of the overspend is offset by an underspend in Outdoor Partnerships in relation to a vacant post. £0.100m of the overspend represents an unachievable saving target relating to moving the Council's heritage assets into a trust model. A project board was set up to discuss the options for this but the required saving remained unachievable. Costs relating to a new appointment of Head of Culture, Leisure & Tourism are also shown here.

| STRATEGIC MANAGEMENT BOARD | Full Year       |                        |                         | RAGY     |
|----------------------------|-----------------|------------------------|-------------------------|----------|
|                            | Budget £        | Controllable Outturn £ | Controllable Variance £ |          |
| <b>Total</b>               | <b>(14,230)</b> | <b>(106,728)</b>       | <b>(92,498)</b>         | <b>Y</b> |

|                                   |   |                 |                  |                 |          |
|-----------------------------------|---|-----------------|------------------|-----------------|----------|
| <b>Strategic Management Board</b> | <b>Leader and Portfolio Holder Strategy</b> | <b>(14,230)</b> | <b>(106,728)</b> | <b>(92,498)</b> | <b>Y</b> |
|-----------------------------------|---|-----------------|------------------|-----------------|----------|

Savings of (£0.086m) have been delivered from planned vacancy management within the PA team. Additional small savings have been delivered on a one-off basis across subscriptions, supplies and services and as a result of the spending freeze.

| WORKFORCE AND TRANSFORMATION | Full Year      |                        |                         | RAGY     |
|------------------------------|----------------|------------------------|-------------------------|----------|
|                              | Budget £       | Controllable Outturn £ | Controllable Variance £ |          |
| <b>Total</b>                 | <b>413,887</b> | <b>413,719</b>         | <b>(168)</b>            | <b>Y</b> |

|                          |   |         |         |           |   |
|--------------------------|---|---------|---------|-----------|---|
| <b>Customer Services</b> | <b>Portfolio Holder Finance and Corporate Support</b> | 448,200 | 105,828 | (342,372) | Y |
|--------------------------|---|---------|---------|-----------|---|

In year savings have been delivered in relation to vacancy management and contract savings of (£0.95m). A total one-off saving of (£0.247m) has been delivered from supplies and services budgets and from additional income.

|  |  |           |           |           |   |
|--|--|-----------|-----------|-----------|---|
| <b>ICT Digital Transformation Project</b>  | <b>Portfolio Holder Organisational Transformation and Digital Infrastructure</b> | (441,920) | 1,082,229 | 1,524,149 | R |
| Savings targets relating to the “single front door” and the wider Digital Transformation Programme of £1.490m have not yet been achieved. Work is ongoing to identify and confirm how these savings will be delivered.   |  |           |           |           |   |
| <b>ICT Services</b>  | <b>Portfolio Holder Organisational Transformation and Digital Infrastructure</b> | 521,810   | (132,151) | (653,961) | Y |
| In year savings were achieved relating to planned vacancy management of (£0.0293m). A complete review of contracts and income was undertaken, and one-off savings were identified of (£0.220m). Additionally, at year end savings of (£0.210m) have been generated from telecoms and from schools income. These savings will be made on an ongoing basis and are included in Financial Strategy savings in future years. |  |           |           |           |   |
| <b>Communications</b>  | <b>Portfolio Holder Culture, Leisure, Waste and Communications</b>               | (8,290)   | (61,901)  | (53,611)  | Y |
| In year savings have been achieved in relation to vacancy management of (£0.054m).   |  |           |           |           |   |
| <b>Information, Intelligence and Insight</b>   | <b>Portfolio Holder Organisational Transformation and Digital Infrastructure</b> | 55,807    | (96,049)  | (151,856) | Y |
| Vacancy management savings across Information Governance and Intelligence & Insight Team total (£0.106m), while the spending freeze across both teams has realised (£0.046m).  |  |           |           |           |   |
| <b>Human Resources and Organisational Development</b>  | <b>Portfolio Holder Finance and Corporate Support</b>                            | (161,720) | (484,238) | (322,518) | Y |
| Savings relating to the in-year spending freeze were achieved of (£0.042m) against supplies and services, and a further (£0.095m) relating to vacancy management was delivered. Additional income of (£0.122m) across Human Resources & Development was generated from commercial activity. At year end, savings of (£0.045m) were confirmed in relation to systems support and maintenance costs.                       |  |           |           |           |   |

**Housing Revenue Account 2019/20**

| <b>As at March 2020</b>                       | <b>Original Estimate<br/>£</b> | <b>Outturn<br/>£</b> | <b>Variance<br/>Adverse/<br/>(Favourable)<br/>£</b> |
|---|--------------------------------|----------------------|---|
| <b>Income</b>                                 |                                |                      |   |
| Dwellings Rent                                | (16,945,000)                   | (17,360,717)         | (415,717)   |
| Garage Rent                                   | (122,030)                      | (122,816)            | (786)   |
| Other Income                                  | (17,000)                       | (226,574)            | (209,574)   |
| Charges for Services                          | (607,190)                      | (864,812)            | (257,622)   |
| <b>Total Income</b>                           | <b>(17,691,220)</b>            | <b>(18,574,919)</b>  | <b>(883,699)</b>                                    |
| <b>Expenditure</b>                            |                                |                      |   |
| ALMO Management Fee                           | 8,268,230                      | 8,268,230            | 0   |
| Supplies and Services                         | 538,310                        | 833,592              | 295,282   |
| Capital Charges - Dwelling Depreciation       | 3,770,150                      | 3,780,100            | 9,950   |
| Capital Charges - Depreciation Other          | 169,960                        | 172,990              | 3,030   |
| Interest Paid                                 | 2,991,960                      | 2,989,760            | (2,200)   |
| Repairs charged to revenue                    | 500,000                        | 446,410              | (53,590)  |
| Revenue Financing Capital Expenditure         | 4,898,160                      | 1,668,060            | (3,230,100)   |
| New development feasibility                   | 150,000                        | 41,810               | (108,190)   |
| Increase in Bad Debt Provision                | 50,000                         | 50,000               | 0   |
| Corporate & Democratic Core                   | 163,960                        | 173,630              | 9,670   |
| <b>Total Expenditure</b>                      | <b>21,500,730</b>              | <b>18,424,582</b>    | <b>(3,076,148)</b>                                  |
| <b>Net Cost of Services</b>                   | <b>3,809,510</b>               | <b>(150,337)</b>     | <b>(3,959,847)</b>                                  |
| Interest Received                             | (30,000)                       | (176,490)            | (146,490)   |
| <b>Net Operating Expenditure</b>              | <b>3,779,510</b>               | <b>(326,827)</b>     | <b>(4,106,337)</b>                                  |
| <b>Net Cost of Service/(Surplus) for Year</b> | <b>3,779,510</b>               | <b>(326,827)</b>     | <b>(4,106,337)</b>                                  |
| <b>HRA Reserve</b>                            |                                |                      |   |
| B/fwd 1 April                                 | 9,813,486                      | 9,813,486            |   |
| Surplus/(Deficit) for year                    | (3,779,510)                    | 326,827              |   |
| Carried Forward 31 March                      | 6,033,976                      | 10,140,313           |   |

**Earmarked Reserves for the HRA**

|                               | <b>Purpose of Balance</b>  | <b>Balance Brought Forward (£'000)</b> | <b>Expenditure in 2019/20 (£'000)</b> | <b>Income in 2019/20 (£'000)</b> | <b>Balance Carried Forward (£'000)</b> |
|-------------------------------|--|--|---------------------------------------|----------------------------------|--|
| <b>HRA Earmarked Reserves</b> |  |  |                                       |                                  |  |
| Major Repairs Reserve         | Required to meet the costs of major repairs to be undertaken on the Council's housing stock. | 4,240                                  | (3,700)                               | 3,953                            | 4,492                                  |
| <b>Total</b>                  |  | <b>4,240</b>                           | <b>(3,700)</b>                        | <b>3,953</b>                     | <b>4,492</b>                           |

**Appendix 3****Amendments to Original Budget 2019/20**

| £000   | Total          | Adult Services | Children's Services | Corporate Budgets | Finance, Governance and Assurance | Legal and Democratic Services | Place         | Strategic Management Board | Workforce and Transformation |
|--|----------------|----------------|---------------------|-------------------|-----------------------------------|-------------------------------|---------------|----------------------------|------------------------------|
| <b>Original Budget as Agreed by Council</b>  | <b>213,839</b> | <b>107,679</b> | <b>49,643</b>       | <b>(3,894)</b>    | <b>2,062</b>                      | <b>498</b>                    | <b>57,860</b> | <b>0</b>                   | <b>(10)</b>                  |
| <b>Quarter 1</b>   |                |                |                     |                   |                                   |                               |               |                            |                              |
| Correction of salary budgets as a result of review of Grades 1-8 and SPB salary scales               | 0              | 157            | 31                  | (403)             | 56                                | 8                             | 111           | 5                          | 34                           |
| Transfer of Youth Commissioning budget from Place to Children's Services                             | 0              |                | 197                 |                   |                                   |                               | (197)         |                            |                              |
| Movement of premises budgets between service areas and Corporate Landlord                            | 0              |                | (25)                |                   |                                   |                               | 25            |                            |                              |
| Allocation of contract management savings across the Council   | 0              | (143)          | (46)                |                   | 284                               |                               | (64)          |                            | (30)                         |
| Final allocation of 2018/19 voluntary redundancy savings, according to where they have been achieved | 0              | (31)           |                     |                   | (8)                               |                               | (76)          |                            | 115                          |
| <b>Q1 Revised Budget</b>   | <b>213,839</b> | <b>107,661</b> | <b>49,800</b>       | <b>(4,297)</b>    | <b>2,393</b>                      | <b>506</b>                    | <b>57,660</b> | <b>6</b>                   | <b>110</b>                   |
| <b>Quarter 2</b>   |                |                |                     |                   |                                   |                               |               |                            |                              |
| Corporate budget reallocation to offset savings  | 0              |                |                     | (598)             | 522                               |                               |               |                            | 76                           |
| Transfer of Shrewsbury Town Council contract costs to appropriate directorates                       | 0              | 30             |                     | (200)             |                                   |                               | 170           |                            |                              |
| Creation of ERP systems team   | 0              |                |                     |                   | (135)                             |                               |               |                            | 135                          |
| Movement of premises budgets between service areas and Corporate Landlord                            | 0              | 55             | (75)                |                   |                                   |                               | 20            |                            |                              |
| Transfer of subscription budgets   | 0              |                |                     |                   |                                   |                               | 20            | (20)                       |                              |
| Adjustment re SPB salary scale review  | 0              |                | 10                  | (10)              |                                   |                               |               |                            |                              |
| <b>Q2 Revised Budget</b>   | <b>213,839</b> | <b>107,747</b> | <b>49,735</b>       | <b>(5,105)</b>    | <b>2,780</b>                      | <b>506</b>                    | <b>57,870</b> | <b>(14)</b>                | <b>321</b>                   |
| <b>Quarter 3</b>   |                |                |                     |                   |                                   |                               |               |                            |                              |
| Realignment of Better Care Fund grant following CCG agreement  | 0              | (105)          | 105                 |                   |                                   |                               |               |                            |                              |
| <b>Q3 Revised Budget</b>   | <b>213,839</b> | <b>107,641</b> | <b>49,839</b>       | <b>(5,105)</b>    | <b>2,780</b>                      | <b>506</b>                    | <b>57,870</b> | <b>(14)</b>                | <b>321</b>                   |
| <b>Quarter 4</b>   |                |                |                     |                   |                                   |                               |               |                            |                              |
| Corporate budget reallocation to offset historic unachieved saving                                   |                |                |                     | (116)             |                                   |                               |               |                            | 116                          |
| Final adjustment re SPB salary scale review  |                | 14             |                     | (14)              |                                   |                               |               |                            |                              |
| Transfer of ALMO Governance budget from Adult Services to Place                                      |                | (50)           |                     |                   |                                   |                               | 50            |                            |                              |
| Reallocation of ring-fenced Public Health grant  |                | 217            |                     |                   | 48                                |                               | (265)         |                            |                              |
| Transfer of post   |                |                | 23                  |                   |                                   |                               |               |                            | (23)                         |
| <b>Q4 Revised Budget</b>   | <b>213,839</b> | <b>107,823</b> | <b>49,863</b>       | <b>5,235</b>      | <b>2,828</b>                      | <b>506</b>                    | <b>57,655</b> | <b>14</b>                  | <b>414</b>                   |

**Reserves and Provisions 2019/20**

|  | Purpose of Balance  | Balance Brought Forward (£'000) | Transfer Balance Between Reserves (£'000) | Expenditure in 2019/20 (£'000) | Income in 2019/20 (£'000) | Balance Carried Forward (£'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.   | 0                               | 12  | (12)                           | 0                         | 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. | 3,539                           | (99)                                      | (581)                          | 2,434                     | 5,293                           |
| Development Reserve  | Required to fund development projects or training that will deliver efficiency savings.   | 9,886                           | (12)                                      | (3,231)                        | 600                       | 7,243                           |
| Invest to save Reserve   | Required to fund invest to save projects in order to deliver the service transformation programme.  | 3,983                           | 0   | (440)                          | 47                        | 3,590                           |
|  |   | <b>17,408</b>                   | <b>(99)</b>                               | <b>(4,265)</b>                 | <b>3,082</b>              | <b>16,126</b>                   |
| <b>Insurance Reserves</b>  |   |                                 |   |                                |                           |                                 |
| Fire Liability   | Required to meet the cost of excesses on all council properties.  | 2,832                           | 0   | (278)                          | 0                         | 2,553                           |
| Motor Insurance  | An internally operated self-insurance reserve to meet costs not covered by the Council's Motor Insurance Policy.  | 1,111                           | 0   | 0                              | 100                       | 1,211                           |
|  |   | <b>3,942</b>                    | <b>0</b>                                  | <b>(278)</b>                   | <b>100</b>                | <b>3,764</b>                    |
| <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.   | 478                             | 0   | (536)                          | 57                        | 0                               |

|   | Purpose of Balance  | Balance Brought Forward (£'000) | Transfer Balance Between Reserves (£'000) | Expenditure in 2019/20 (£'000) | Income in 2019/20 (£'000) | Balance Carried Forward (£'000) |
|---|---|---------------------------------|---|--------------------------------|---------------------------|---------------------------------|
|   |   | 478                             | 0   | (536)                          | 57                        | 0                               |
| <b>Reserves retained for service departmental use</b> |   |                                 |   |                                |                           |                                 |
| Building Control                                      | Required to manage the position regarding building control charges.   | 299                             | 0   | 0                              | 129                       | 428                             |
| 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 17/18 IBCF monies required to fund the IBCF programme in future years. | 4,827                           | 0   | (2,953)                        | 95                        | 1,969                           |
| Economic Development Workshops Major Maintenance      | Established to meet the costs of major maintenance of Economic Development Workshops.   | 149                             | 0   | 0                              | 0                         | 149                             |
| External Fund Reserve                                 | Reserves held where the Council is the administering body for trust funds or partnership working.   | 1,399                           | 0   | (209)                          | 595                       | 1,785                           |
| Financial Strategy Reserve                            | Established specifically to provide one off funding for savings proposals in the Financial Strategy   | 20,867                          | 0   | (3,464)                        | 3,399                     | 20,802                          |
| Savings Management - Highways                         | Established specifically to provide one off funding for highways savings proposals in the Financial Strategy  | 7,098                           | 0   | (5,191)                        | 0                         | 1,907                           |
| Highways Development & Innovation Fund                | Set aside funds for pump priming the Development and Innovation programme.  | 385                             | 0   | (26)                           | 360                       | 719                             |
| New Homes Bonus                                       | Established from unapplied New Homes Bonus Grant balances.  | 2,608                           | 0   | (8,107)                        | 7,754                     | 2,254                           |
| Public Health Reserve                                 | This reserve includes balances committed to specific public health projects.  | 255                             | 0   | (167)                          | 0                         | 88                              |
| Repairs & Maintenance Reserve                         | Set aside for known repairs and maintenance required to Council owned properties.   | 966                             | 0   | (966)                          | 0                         | 0                               |

|   | <b>Purpose of Balance</b>  | <b>Balance Brought Forward (£'000)</b> | <b>Transfer Balance Between Reserves (£'000)</b> | <b>Expenditure in 2019/20 (£'000)</b> | <b>Income in 2019/20 (£'000)</b> | <b>Balance Carried Forward (£'000)</b> |
|---|--|--|--|---------------------------------------|----------------------------------|--|
| 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.  | 452                                    | 0  | (209)                                 | 101                              | 344                                    |
| Revenue Commitments from Unringfenced Revenue Grants  | Established from unapplied unringfenced Grant balances. Commitments have been made against these balances in 2019/20.  | 942                                    | 99   | (592)                                 | 9,986                            | 10,434                                 |
| 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.  | 2,924                                  | 0  | (65)                                  | 0                                | 2,859                                  |
| TMO Vehicle Replacement                               | Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.   | 300                                    | 0  | (130)                                 | 0                                | 170                                    |
|   |  | <b>43,471</b>                          | <b>99</b>  | <b>(22,080)</b>                       | <b>22,419</b>                    | <b>43,909</b>                          |
| <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.   | 4,179                                  | 0  | (5,997)                               | 3,709                            | 1,891                                  |
| Education – Staff Sickness Insurance                  | Schools' self-help insurance for staff sickness with premiums met from delegated budgets.  | 18                                     | 0  | (18)                                  | 0                                | 0                                      |
| Education – Theft Insurance                           | Schools' self-help insurance scheme to cover equipment damage and losses.  | 65                                     | 0  | (63)                                  | 0                                | 2                                      |
| 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. | 2,164                                  | 0  | 0                                     | 137                              | 2,301                                  |
|   |  | <b>6,427</b>                           | <b>0</b>   | <b>(6,078)</b>                        | <b>3,846</b>                     | <b>4,194</b>                           |
| <b>Total Reserves</b>                                 |  | <b>71,726</b>                          | <b>0</b>   | <b>(33,237)</b>                       | <b>29,504</b>                    | <b>67,993</b>                          |



|  | Purpose of Balance   | Balance Brought Forward (£'000) | Transfer Balance Between Reserves (£'000) | Expenditure in 2019/20 (£'000) | Income in 2019/20 (£'000) | Balance Carried Forward (£'000) |
|--|--|---------------------------------|---|--------------------------------|---------------------------|---------------------------------|
| <b>Provisions</b>                      |  |                                 |   |                                |                           |                                 |
| <b>Provisions - Short Term</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. | 1,887                           | 0   | (1,887)                        | 2,328                     | 2,328                           |
| Other Provisions - Short Term          | Includes a number of small provisions including Environmental Maintenance contract commitments and Shopping Centre rental payments                         | 280                             | 0   | (248)                          | 1,028                     | 1,060                           |
| <b>Provisions - Long Term</b>          |  |                                 |   |                                |                           |                                 |
| Other Provisions - Long Term           | Includes a number of small provisions including S106 Accrued Interest, profit share agreements and Shopping Centre rental payments.                        | 300                             | 0   | (3)                            | 0                         | 297                             |
| Liability Insurance                    | Provision to meet the estimated actuarial valuation of claims for public liability and employers' liability  | 4,002                           |   | (23)                           | 234                       | 4,213                           |
| NDR Appeals                            | Represents the Council's share of the provision held for successful appeals against business rates.  | 5,775                           | 0   | (3,662)                        | 4,275                     | 6,389                           |
| Council Tax Bad Debt                   | Held for potential write offs of Council tax debtor balances.  | 5,184                           | 0   | (128)                          | 1,000                     | 6,056                           |
| NNDR Bad Debt                          | Held for potential write offs of NNDR debtor balances.   | 983                             | 0   | (205)                          | 390                       | 1,168                           |
| Tenancy Deposit Clawbacks              | This represents deposits held for the economic development workshops that may be repaid at some point in the future.                                       | 166                             |   | (13)                           | 26                        | 179                             |
| General Fund Bad Debts                 | Held for potential write offs of debtor balances for General Fund Services including Housing Benefits.   | 5,700                           | 0   | (530)                          | 795                       | 5,965                           |
| HRA Bad Debts                          | Held for potential write offs of debtor balances for Housing Revenue Account rents and other debtor balances.  | 393                             |   | (52)                           | 50                        | 391                             |
| <b>Total Provisions</b>                |  | <b>24,670</b>                   | <b>0</b>                                  | <b>(6,750)</b>                 | <b>10,126</b>             | <b>28,047</b>                   |
| <b>Total Reserves &amp; Provisions</b> |  | <b>96,396</b>                   | <b>0</b>                                  | <b>(39,986)</b>                | <b>39,630</b>             | <b>96,040</b>                   |

|  | Purpose of Balance | Balance Brought Forward (£'000) | Transfer Balance Between Reserves (£'000) | Expenditure in 2019/20 (£'000) | Income in 2019/20 (£'000) | Balance Carried Forward (£'000) |
|--|--------------------|---------------------------------|---|--------------------------------|---------------------------|---------------------------------|
|--|--------------------|---------------------------------|---|--------------------------------|---------------------------|---------------------------------|

| <b>HRA Earmarked Reserves</b> |  |              |          |                |              |              |
|-------------------------------|--|--------------|----------|----------------|--------------|--------------|
| Major Repairs Reserve         | Required to meet the costs of major repairs to be undertaken on the Council's housing stock. | 4,240        | 0        | (3,700)        | 3,953        | 4,492        |
|                               |  | <b>4,240</b> | <b>0</b> | <b>(3,700)</b> | <b>3,953</b> | <b>4,492</b> |

## Shropshire Council - Capital Programme 2019/20- 2022/23

## APPENDIX 5

## Capital Programme Summary - Quarter 4 2019/20

| Directorate                  | Revised Budget Q3 19/20 £ | Budget Virements Q4 £ | Revised Budget Q4 19/20 £ | Actual Spend 31/03/20 £ | Spend to Budget Variance £ | % Budget Spend | Outturn Projection £ | Outturn Projection Variance £ | 2020/21 Revised Budget £ | 2021/22 Revised Budget £ | 2022/23 Revised Budget £ |
|------------------------------|---------------------------|-----------------------|---------------------------|-------------------------|----------------------------|----------------|----------------------|-------------------------------|--------------------------|--------------------------|--------------------------|
| <b>General Fund</b>          |                           |                       |                           |                         |                            |                |                      |                               |                          |                          |                          |
| Place                        | 36,682,041                | 8,044,457             | 44,726,498                | 39,043,092              | 5,683,406                  | 87%            | 44,726,498           | 5,683,406                     | 74,232,860               | 56,934,566               | 75,709,635               |
| Adult Services               | 4,040,073                 | -                     | 4,040,073                 | 3,089,165               | 950,908                    | 76%            | 4,040,073            | 950,908                       | 8,237,606                | 3,200,000                | 3,200,000                |
| Public Health                | 88,636                    | -                     | 88,636                    | 81,509                  | 7,127                      | 92%            | 88,636               | 7,127                         | 267,127                  | -                        | -                        |
| Children's Services          | 8,247,251                 | 708,145               | 8,955,396                 | 6,869,768               | 2,085,628                  | 77%            | 8,955,396            | 2,085,628                     | 17,869,859               | 11,000,000               | 5,500,000                |
| Resources & Support          | 4,131,578                 | 1,020,224             | 5,151,802                 | 4,156,901               | 994,901                    | 81%            | 5,151,802            | 994,901                       | 2,394,901                | -                        | -                        |
| <b>Total General Fund</b>    | <b>53,189,579</b>         | <b>9,772,826</b>      | <b>62,962,405</b>         | <b>53,240,435</b>       | <b>9,721,970</b>           | <b>85%</b>     | <b>62,962,405</b>    | <b>9,721,970</b>              | <b>103,002,353</b>       | <b>71,134,566</b>        | <b>84,409,635</b>        |
| Housing Revenue Account      | 8,082,362                 | (62,887)              | 8,019,475                 | 5,968,912               | 2,050,563                  | 74%            | 8,019,475            | 2,050,563                     | 24,306,173               | 18,700,000               | 18,700,000               |
| <b>Total Approved Budget</b> | <b>61,271,941</b>         | <b>9,709,939</b>      | <b>70,981,880</b>         | <b>59,209,347</b>       | <b>11,772,533</b>          | <b>83%</b>     | <b>70,981,880</b>    | <b>11,772,533</b>             | <b>127,308,526</b>       | <b>89,834,566</b>        | <b>103,109,635</b>       |

| Potfolio Holder  | Revised Budget Q3 19/20 £ | Budget Virements Q4 £ | Revised Budget Q4 19/20 £ | Actual Spend 31/03/20 £ | Spend to Budget Variance £ | % Budget Spend | Outturn Projection £ | Outturn Projection Variance £ | 2020/21 Revised Budget £ | 2021/22 Revised Budget £ | 2022/23 Revised Budget £ |
|--|---------------------------|-----------------------|---------------------------|-------------------------|----------------------------|----------------|----------------------|-------------------------------|--------------------------|--------------------------|--------------------------|
| <b>General Fund</b>  |                           |                       |                           |                         |                            |                |                      |                               |                          |                          |                          |
| Adult Social Services & Climate Change - Dean Carroll                | 4,040,073                 | -                     | 4,040,073                 | 3,089,165               | 950,908                    | 76%            | 4,040,073            | 950,908                       | 8,237,606                | 3,200,000                | 3,200,000                |
| Assets, Economic Growth & Regeneration - Steve Charmley              | 14,686,072                | 3,484,617             | 18,170,689                | 15,421,996              | 2,748,693                  | 85%            | 18,170,689           | 2,748,693                     | 44,462,960               | 20,000,000               | 20,000,000               |
| Children's Services - Ed Potter                                      | 8,247,251                 | 712,772               | 8,960,023                 | 6,869,768               | 2,090,255                  | 77%            | 8,960,023            | 2,090,255                     | 17,869,859               | 11,000,000               | 5,500,000                |
| Communities, Place Planning & Regulatory Services - Gwilym Butler    | 88,636                    | -                     | 88,636                    | 81,509                  | 7,127                      | 92%            | 88,636               | 7,127                         | 267,127                  | -                        | -                        |
| Culture, Leisure, Waste & Communications - Lezley Picton             | 808,268                   | 8,614                 | 816,882                   | 778,701                 | 38,181                     | 95%            | 816,882              | 38,181                        | 363,181                  | -                        | -                        |
| Highways & Car Parking - Steve Davenport                             | 20,446,935                | 4,201,737             | 24,648,672                | 21,895,947              | 2,752,725                  | 89%            | 24,648,672           | 2,752,725                     | 26,933,511               | 35,334,566               | 55,709,635               |
| Housing & Strategic Planning - Robert Macey                          | 740,766                   | 344,862               | 1,085,628                 | 946,448                 | 139,180                    | 87%            | 1,085,628            | 139,180                       | 2,473,208                | 1,600,000                | -                        |
| Organisational Transformation & Digital Infrastructure - Lee Chapman | 4,131,578                 | 1,020,224             | 5,151,802                 | 4,156,901               | 994,901                    | 81%            | 5,151,802            | 994,901                       | 2,394,901                | -                        | -                        |
| Public Health - Rob Gittins  | -                         | -                     | -                         | -                       | -                          | 0%             | -                    | -                             | -                        | -                        | -                        |
| <b>Total General Fund</b>  | <b>53,189,579</b>         | <b>9,772,826</b>      | <b>62,962,405</b>         | <b>53,240,435</b>       | <b>9,721,970</b>           | <b>85%</b>     | <b>62,962,405</b>    | <b>9,721,970</b>              | <b>103,002,353</b>       | <b>71,134,566</b>        | <b>84,409,635</b>        |
| Housing Revenue Account - Lee Chapman                                | 8,082,362                 | (62,887)              | 8,019,475                 | 5,968,912               | 2,050,563                  | 74%            | 8,019,475            | 2,050,563                     | 24,306,173               | 18,700,000               | 18,700,000               |
| <b>Total Approved Budget</b>   | <b>61,271,941</b>         | <b>9,709,939</b>      | <b>70,981,880</b>         | <b>59,209,347</b>       | <b>11,772,533</b>          | <b>83%</b>     | <b>70,981,880</b>    | <b>11,772,533</b>             | <b>127,308,526</b>       | <b>89,834,566</b>        | <b>103,109,635</b>       |

| CAPITAL BUDGET MONITORING REPORT                           |                          |                            |                          |                         |                          |                      |                             |                        |                        | APPENDIX 5             |  |
|--|--------------------------|----------------------------|--------------------------|-------------------------|--------------------------|----------------------|-----------------------------|------------------------|------------------------|------------------------|--|
| Financial Year:  |                          | 2019 / 2020                |                          |                         |                          |                      |                             |                        |                        |                        |  |
| Period:  |                          | 12                         |                          |                         |                          |                      |                             |                        |                        |                        |  |
| Directorate Service Area                                   | Revised Budget Quarter 3 | Budget Virements Quarter 4 | Revised Budget Quarter 4 | Actual Spend 31/03/2020 | Spend to Budget Variance | Outturn Projection   | Outturn Projection Variance | 2020/21 Revised Budget | 2021/22 Revised Budget | 2022/23 Revised Budget |  |
| <b>Adult Services Capital</b>                              | <b>4,040,073</b>         | -                          | <b>4,040,073</b>         | <b>3,089,165</b>        | <b>950,908</b>           | <b>4,040,073</b>     | <b>950,908</b>              | <b>8,237,606</b>       | <b>3,200,000</b>       | <b>3,200,000</b>       |  |
| Contracts & Providers                                      | -                        | -                          | -                        | -                       | -                        | -                    | -                           | -                      | -                      | -                      |  |
| Housing Services   | 2,690,227                | -                          | 2,690,227                | 2,053,612               | 636,615                  | 2,690,227            | 636,615                     | 6,843,313              | 3,200,000              | 3,200,000              |  |
| Social Care Operations                                     | 1,349,846                | -                          | 1,349,846                | 1,035,553               | 314,293                  | 1,349,846            | 314,293                     | 1,394,293              | -                      | -                      |  |
| <b>Children's Services Capital</b>                         | <b>8,247,251</b>         | <b>712,772</b>             | <b>8,960,023</b>         | <b>6,869,768</b>        | <b>2,090,255</b>         | <b>8,960,023</b>     | <b>2,090,255</b>            | <b>17,869,859</b>      | <b>11,000,000</b>      | <b>5,500,000</b>       |  |
| Children's Residential Care                                | 1,100,000                | 900,000                    | 2,000,000                | 1,381,539               | 618,461                  | 2,000,000            | 618,461                     | 618,461                | -                      | -                      |  |
| Non Maintained Schools                                     | 572,927                  | (29,132)                   | 543,795                  | 505,477                 | 38,318                   | 543,795              | 38,318                      | 2,081,681              | 4,000,000              | -                      |  |
| Primary School   | 6,715,355                | (41,727)                   | 6,673,628                | 4,607,389               | 2,066,239                | 6,673,628            | 2,066,239                   | 11,359,626             | 4,000,000              | 5,000,000              |  |
| Secondary School   | 403,562                  | (30,664)                   | 372,898                  | 258,917                 | 113,981                  | 372,898              | 113,981                     | 1,113,981              | 2,000,000              | -                      |  |
| Special Schools  | 152,665                  | 577                        | 153,242                  | 116,446                 | 36,796                   | 153,242              | 36,796                      | 36,796                 | -                      | -                      |  |
| Unallocated School   | (697,258)                | (86,282)                   | (783,540)                | 0                       | (783,540)                | (783,540)            | (783,540)                   | 2,659,314              | 1,000,000              | 500,000                |  |
| <b>Place Capital - Commercial Services</b>                 | <b>8,410,957</b>         | <b>3,409,617</b>           | <b>11,820,574</b>        | <b>10,230,557</b>       | <b>1,590,017</b>         | <b>11,820,574</b>    | <b>1,590,017</b>            | <b>33,565,957</b>      | <b>20,000,000</b>      | <b>20,000,000</b>      |  |
| Corporate Landlord   | 8,410,957                | 3,409,617                  | 11,820,574               | 10,230,557              | 1,590,017                | 11,820,574           | 1,590,017                   | 33,565,957             | 20,000,000             | 20,000,000             |  |
| <b>Place Capital - Economic Development</b>                | <b>7,015,881</b>         | <b>419,862</b>             | <b>7,435,743</b>         | <b>6,137,887</b>        | <b>1,297,856</b>         | <b>7,435,743</b>     | <b>1,297,856</b>            | <b>13,370,211</b>      | <b>1,600,000</b>       | <b>-</b>               |  |
| Broadband  | 5,050,247                | 75,000                     | 5,125,247                | 4,217,451               | 907,796                  | 5,125,247            | 907,796                     | 10,646,123             | -                      | -                      |  |
| Development Management                                     | 148,620                  | 344,862                    | 493,482                  | 484,729                 | 8,753                    | 493,482              | 8,753                       | 42,435                 | -                      | -                      |  |
| Economic Growth  | 1,224,868                | -                          | 1,224,868                | 973,988                 | 250,880                  | 1,224,868            | 250,880                     | 250,880                | -                      | -                      |  |
| Planning Policy  | 592,146                  | -                          | 592,146                  | 461,719                 | 130,427                  | 592,146              | 130,427                     | 2,430,773              | 1,600,000              | -                      |  |
| <b>Place Capital - Infrastructure &amp; Communities</b>    | <b>21,255,203</b>        | <b>4,210,351</b>           | <b>25,465,554</b>        | <b>22,674,648</b>       | <b>2,790,906</b>         | <b>25,465,554</b>    | <b>2,790,906</b>            | <b>27,296,692</b>      | <b>35,334,566</b>      | <b>55,709,635</b>      |  |
| Highways and Transport                                     | 20,446,935               | 4,201,737                  | 24,648,672               | 21,895,947              | 2,752,725                | 24,648,672           | 2,752,725                   | 26,933,511             | 35,334,566             | 55,709,635             |  |
| Leisure  | 429,957                  | -                          | 429,957                  | 398,768                 | 31,189                   | 429,957              | 31,189                      | 429,957                | -                      | -                      |  |
| Outdoor Partnerships                                       | 378,311                  | 8,614                      | 386,925                  | 379,933                 | 6,992                    | 386,925              | 6,992                       | 6,992                  | -                      | -                      |  |
| Visitor Economy  | -                        | -                          | -                        | -                       | -                        | -                    | -                           | -                      | -                      | -                      |  |
| Waste  | -                        | -                          | -                        | -                       | -                        | -                    | -                           | 325,000                | -                      | -                      |  |
| <b>Public Health Capital</b>                               | <b>88,636</b>            | -                          | <b>88,636</b>            | <b>81,509</b>           | <b>7,127</b>             | <b>88,636</b>        | <b>7,127</b>                | <b>267,127</b>         | <b>-</b>               | <b>-</b>               |  |
| Public Health  | -                        | -                          | -                        | -                       | -                        | -                    | -                           | -                      | -                      | -                      |  |
| Public Protection  | 88,636                   | -                          | 88,636                   | 81,509                  | 7,127                    | 88,636               | 7,127                       | 267,127                | -                      | -                      |  |
| <b>Workforce and Transformation Capital</b>                | <b>4,131,578</b>         | <b>1,020,224</b>           | <b>5,151,802</b>         | <b>4,156,901</b>        | <b>994,901</b>           | <b>5,151,802</b>     | <b>994,901</b>              | <b>2,394,901</b>       | <b>-</b>               | <b>-</b>               |  |
| ICT Digital Transformation - CRM                           | 1,054,370                | -                          | 1,054,370                | 597,675                 | 456,695                  | 1,054,370            | 456,695                     | 456,695                | -                      | -                      |  |
| ICT Digital Transformation - ERP                           | 1,617,675                | -                          | 1,617,675                | 1,428,820               | 188,855                  | 1,617,675            | 188,855                     | 188,855                | -                      | -                      |  |
| ICT Digital Transformation - Infrastructure & Architecture | 542,671                  | 1,020,224                  | 1,562,895                | 1,496,883               | 66,012                   | 1,562,895            | 66,012                      | 66,012                 | -                      | -                      |  |
| ICT Digital Transformation - Social Care                   | 818,740                  | -                          | 818,740                  | 633,523                 | 185,217                  | 818,740              | 185,217                     | 185,217                | -                      | -                      |  |
| ICT Digital Transformation - Unallocated                   | 98,122                   | -                          | 98,122                   | -                       | 98,122                   | 98,122               | 98,122                      | 1,498,122              | -                      | -                      |  |
| <b>Housing Revenue Account Capital</b>                     | <b>8,082,362</b>         | <b>(62,887)</b>            | <b>8,019,475</b>         | <b>5,968,912</b>        | <b>2,050,563</b>         | <b>8,019,475</b>     | <b>2,050,563</b>            | <b>24,306,173</b>      | <b>18,700,000</b>      | <b>18,700,000</b>      |  |
| HRA Dwellings  | 8,082,362                | (62,887)                   | 8,019,475                | 5,968,912               | 2,050,563                | 8,019,475            | 2,050,563                   | 24,306,173             | 18,700,000             | 18,700,000             |  |
| <b>Total Capital Programme</b>                             | <b>61,271,941</b>        | <b>9,709,939</b>           | <b>70,981,880</b>        | <b>59,209,346.88</b>    | <b>11,772,533.12</b>     | <b>70,981,880.00</b> | <b>11,772,533</b>           | <b>127,308,526</b>     | <b>89,834,566</b>      | <b>103,109,635</b>     |  |

## Shropshire Council - Capital Programme 2019/20- 2022/23

## APPENDIX 5

| Financing  | Revised Budget Q3 19/20<br>£ | Budget Virements Q4<br>£ | Revised Budget Q4 19/20<br>£ | 2020/21 Revised Budget | 2021/22 Revised Budget<br>£ | 2022/23 Revised Budget<br>£ |
|--|------------------------------|--------------------------|------------------------------|------------------------|-----------------------------|-----------------------------|
| <b>Self Financed Prudential Borrowing</b>                        | <b>5,356,420</b>             | <b>4,375,000</b>         | <b>9,731,420</b>             | <b>41,780,062</b>      | <b>30,910,000</b>           | <b>30,910,000</b>           |
| <b>Government Grants</b>   |                              |                          |                              |                        |                             |                             |
| Department for Transport   | 22,076,379                   | 3,516,951                | 25,593,330                   | 25,622,926             | 25,859,289                  | 54,799,635                  |
| - Rapid Electric Vehicle Charging Points Grant                   | 30,135                       | 25,385                   | 55,520                       | 11,386                 | -                           | -                           |
| Ministry of Housing, Communities & Local Gov                     |                              |                          |                              |                        |                             |                             |
| - Land Release Fund  | 500,596                      | -                        | 500,596                      | 280,343                | -                           | -                           |
| - Housing Infrastructure Fund                                    | 1,050,454                    | -                        | 1,050,454                    | 250,880                | -                           | -                           |
| - One Public Estate  | 75,000                       | (75,000)                 | -                            | -                      | -                           | -                           |
| Department for Health - Better Care Fund                         | 2,584,017                    | -                        | 2,584,017                    | 4,703,354              | 3,200,000                   | 3,200,000                   |
| Department for Health - HOLD Grant                               | 300,000                      | -                        | 300,000                      | 1,971,962              | -                           | -                           |
| Department for Education   |                              |                          |                              |                        |                             |                             |
| - Condition Capital Grant  | 1,843,328                    | -                        | 1,843,328                    | 1,528,620              | 1,000,000                   | 500,000                     |
| - Basic Need Capital Grant                                       | 163,311                      | (153,418)                | 9,893                        | 5,663,742              | 1,153,418                   | -                           |
| - Devolved Formula Capital                                       | 760,821                      | (17,712)                 | 743,109                      | 987,930                | -                           | -                           |
| - Special Provision Funds  | 192,370                      | -                        | 192,370                      | 681,104                | -                           | -                           |
| - Healthy Pupils Capital Grant                                   | 35,020                       | -                        | 35,020                       | 13,606                 | -                           | -                           |
| - Full Fibre Broadband   | -                            | -                        | -                            | 156,602                | -                           | -                           |
| Department for Communities and Local Government                  |                              |                          |                              |                        |                             |                             |
| - Community Housing Fund   | -                            | -                        | -                            | 361,296                | -                           | -                           |
| Disabled Facilities Grant (Additional)                           | -                            | -                        | -                            | -                      | -                           | -                           |
| Education Funding Agency   |                              |                          |                              |                        |                             |                             |
| - Early Years Capital Fund                                       | -                            | (155,474)                | (155,474)                    | 124,009                | 31,465                      | -                           |
| HCA - Travellers   | 370,000                      | -                        | 370,000                      | -                      | -                           | -                           |
| HCA - New Build  | 4,367,248                    | -                        | 4,367,248                    | 3,280,426              | 3,000,000                   | 3,000,000                   |
| BDUK - Broadband   | 273,426                      | -                        | 273,426                      | 667,633                | -                           | -                           |
| Environment Agency   | -                            | -                        | -                            | 933,597                | -                           | -                           |
| DEFRA  | (295,101)                    | 156,602                  | (138,499)                    | 125,095                | -                           | -                           |
| Local Enterprise Partnership (LEP) Fund                          | -                            | -                        | -                            | 1,426,940              | -                           | -                           |
| Public Health England  | 34,549,542                   | -                        | 34,549,542                   | -                      | -                           | -                           |
|  | <b>68,876,546</b>            | <b>3,297,334</b>         | <b>72,173,880</b>            | <b>48,791,451</b>      | <b>34,244,172</b>           | <b>61,499,635</b>           |
| <b>Other Grants</b>  |                              |                          |                              |                        |                             |                             |
| Historic England/English Heritage                                | 683                          | -                        | 683                          | -                      | -                           | -                           |
| Natural England  | -                            | -                        | -                            | 683                    | -                           | -                           |
| Other Grants   | 945,753                      | 108,787                  | 1,054,540                    | 1,139,471              | -                           | -                           |
|  | <b>946,436</b>               | <b>108,787</b>           | <b>1,055,223</b>             | <b>1,140,154</b>       | -                           | -                           |
| <b>Other Contributions</b>                                       |                              |                          |                              |                        |                             |                             |
| Section 106  | 1,558,117                    | 495,063                  | 2,053,180                    | 4,114,572              | 11,265,277                  | -                           |
| Community Infrastructure Levy (CIL)                              | 441,027                      | 500,000                  | 941,027                      | 6,315,986              | 2,300,000                   | -                           |
| Other Contributions  | 3,546,204                    | 67,181                   | 3,613,385                    | 3,533,638              | -                           | -                           |
|  | <b>5,545,348</b>             | <b>1,062,244</b>         | <b>6,607,592</b>             | <b>13,964,196</b>      | <b>13,565,277</b>           | -                           |
| <b>Revenue Contributions to Capital</b>                          | -                            | <b>1,290,724</b>         | <b>1,290,724</b>             | <b>4,906,890</b>       | <b>2,014,293</b>            | <b>2,000,000</b>            |
| <b>Major Repairs Allowance</b>                                   | -                            | -                        | -                            | <b>5,879,247</b>       | <b>3,700,000</b>            | <b>3,700,000</b>            |
| <b>Corporate Resources (expectation - Capital Receipts only)</b> | -                            | <b>(424,150)</b>         | <b>(424,150)</b>             | <b>10,846,526</b>      | <b>5,400,824</b>            | <b>5,000,000</b>            |
| <b>Total Confirmed Funding</b>                                   | <b>80,724,750</b>            | <b>9,709,939</b>         | <b>90,434,689</b>            | <b>127,308,526</b>     | <b>89,834,566</b>           | <b>103,109,635</b>          |

**Funding Changes - Quarter 4**

**APPENDIX 5**

| Budget Increase/Decrease   | 2019/20             | 2020/21            | 2021/22          | 2022/23 | Details   |
|--|---------------------|--------------------|------------------|---------|---|
| <b>Self Financed Prudential Borrowing</b>  | <b>4,375,000</b>    | <b>(3,475,000)</b> |                  |         | Children's Residential Care schemes (£500,000) and completion of acquisition of Castleview Oswestry   |
| <b>Government Grants</b>   |                     |                    |                  |         |   |
| Department for Transport<br>- Rapid Electric Vehicle Charge Points                   | 3,516,951<br>25,385 |                    |                  |         | DfT Local Majors Funding. Additional funding notification from Highways England.  |
| Ministry of Housing, Communities & Local Government<br>- One Public Estate           | (75,000)            |                    |                  |         | Grant funded directly to CCG.   |
| Department for Health - Better Care Fund   |                     | 9,291              |                  |         | Notification of 2020/21 grant confirmed.  |
| Department for Education<br>- Basic Need Capital Grant                               |                     |                    | (153,418)        |         | Reallocation of underspent Basic Need unallocated budget to School Place Plan Programme.  |
| - Devolved Formula Capital<br>Education Funding Agency<br>- Early Years Capital Fund | (17,712)            |                    | (31,465)         |         | Transfer to Academy School.<br>Reallocation of underspent Early Years Capital unallocated budget to School Place Plan Programme.  |
| DEFRA<br>Local Enterprise Partnership (LEP) Fund                                     | 156,602             | (300,000)          |                  |         | DfE Full Fibre Broadband Grant. Reprofitting of scheme budget to match expected expenditure profile. Reversal of Period 10 slippage.  |
| <b>Total Government Grants</b>   | <b>3,606,226</b>    | <b>(290,709)</b>   | <b>(184,883)</b> |         |   |
| <b>Other Grants</b>  |                     |                    |                  |         |   |
| Other Grants   | 108,787             | 89,431             |                  |         | ERDF contributions to Corporate Landlord SEPUBu Programme (£108,787) and Ludlow Assembly Rooms project (£89,431).   |
| <b>Total Other Grants</b>  | <b>108,787</b>      | <b>89,431</b>      |                  |         |   |
| <b>Other Contributions</b>   |                     |                    |                  |         |   |
| Section 106  | 495,063             |                    |                  |         | S106 contribution to ITP South schemes - Shifnal Network Improvement (£23,418), Shifnal Bradford Street Enhancement (£126,783) and Parish/Town council schemes (£344,862).  |
| Community Infrastructure Levy (CIL)  | 500,000             |                    |                  |         | CIL contribution to SITP scheme.  |
| Other Contributions  | 67,181              | 57,922             |                  |         | Private sector contributions to ITP Central scheme - Morrisons, Shrewsbury Right Turn Traffic Lights (£9,200 in 2019/20 and £10,300 in 2020/21). Diocese contribution to Baschurch Primary Basic Need scheme (£17,019 in 2019/20 and £43,363 in 2020/21). £75,000 contribution to Broadband Project in 2019/20 and £4,259 contribution to Ludlow Assembly Rooms refurbishment project in 2020/21. |
| <b>Total Other Contributions</b>   | <b>1,062,244</b>    | <b>57,922</b>      |                  |         |   |
| <b>Revenue Contributions to Capital</b>  | <b>1,290,724</b>    |                    |                  |         | Invest to Save (I2S) revenue contribution to Corporate Landlord SEPUBu Programme (£94,078) and ICT Upgrades Programme (£1,020,224) and schools revenue contribution to Wistanow DFC scheme (£1,502), £12,708 schools revenue contributions to a number of Devolved Formula Capital schemes and £162,212 contribution to the Corporate Landlord Programme.   |
| <b>Corporate Resources (expectation - Capital Receipts only)</b>                     | <b>(409,733)</b>    |                    | <b>(13,426)</b>  |         | In 2019/20 budgets amended to match STaR profile and financing (£62,887) and removal of budget requirement (£346,848) as scheme removed from programme.<br>In 2021/22 reallocation of underspent School Amalgamations unallocated budget (£4,000) and underspent Basic Need unallocated budget (£9,426) to  |
|  | <b>10,033,248</b>   | <b>(3,618,356)</b> | <b>(198,309)</b> |         |   |
| <b>Re-Profitting</b>   |                     |                    |                  |         |   |
| <b>Children's Services</b>   |                     |                    |                  |         |   |
| Basic Need Unallocated   | (162,844)           |                    | 162,844          |         | Reprofitting of unallocated underspent budget to match profile of School Place Plan Programme.  |
| Early Years  | (156,465)           | 125,000            | 31,465           |         | Reprofitting of unallocated underspent budget to match profile of School Place Plan Programme.  |
| School Amalgamations Schemes   | (4,000)             |                    | 4,000            |         | Reprofitting of unallocated underspent budget to match profile of School Place Plan Programme.  |
|  | <b>(323,309)</b>    | <b>125,000</b>     | <b>198,309</b>   |         |   |