



<u>Committee and Date</u>	<u>Item</u>
Cabinet	
30 June 2021	
PMSC	
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FINANCIAL OUTTURN 2020/21

Responsible Officer James Walton

Email: james.walton@shropshire.gov.uk

Tel: (01743) 255011

1. Summary

1.1 This report provides financial commentary on the 2020/21 Financial Year; a year dominated by the Coronavirus global pandemic. Despite this, Shropshire Council has delivered £11.7m savings, 96% of its capital programme and a year-end underspend of £0.764m.

1.2 Executive Summary

- Shropshire Council approved an original gross budget of over £575m in February 2020, a few weeks before the first national lockdown as a result of the Coronavirus global pandemic. The 2020/21 Financial Year has been dominated by the nation's response to Covid-19 and for the Council this led to an emergency response and fundamental changes to service delivery impacting the entire financial year.
- The Council had plans to deliver an £18.7m savings programme and a £120m Capital Programme over the year. Instead, government funding of almost £184m flowed into the Council to administer on behalf of businesses, communities and residents. Over £22m of this funding was unringfenced grant to support Council services, supplemented by a further £3.6m in sales, fees and charges support and £1.2m furlough funding.
- By the close of the financial year, Shropshire Council has applied over £152m of Covid-19 funding, carrying forward £23m to support the 2021/22 financial year. Additionally, the Council still achieved 62% of its savings delivery target, delivering almost £12m in savings despite the implications of the pandemic. Overall, the Council has managed its pressures, against the available funding, and delivered an underspend of £0.655m. This is an improvement of £1.493m, when compared with projections made at Quarter 3, and represents a variance of 0.11% on the gross budget. In addition, a small variance in non-controllable insurance of £0.109m increases the overall underspend to £0.764m, which will be added to the General Fund Balance, increasing it to over £14m, improving the Council's financial resilience.
- The Council's capital programme was reprofiled over the year, to align with realistic delivery expectations, to £68.566m. Outturn capital expenditure for

2020/21 is £65.738m, representing 96% of the re-profiled budget. All £2.828m of this underspend has been carried forward to the 2021/22 programme.

2. Recommendations

It is recommended that Members:

- A. Note that the outturn for the revenue budget for 2020/21 is a controllable underspend of £0.655m (0.11% of the original gross budget of £575.462m).
- B. Note that the level of the General Fund balance after adjusting for the outturn underspend and insurance position stands at £14.091m, which is an increased balance when compared with March 2020, but is still significantly below the recommended level.
- C. Note that the Council has been sufficiently provided with revenue funding relating to Covid-19 in 2020/21, and that therefore no additional costs have had to be funded by the Council's base budget.
- D. Note that the outturn for the Housing Revenue Account (HRA) for 2020/21 is an underspend of (£3.634m) and the level of the Housing Revenue Account reserve stands at £11.341m (£10.140m in 2019/20).
- E. Note the increase in the level of Earmarked Reserves and Provisions (excluding delegated school balances) of £22.019 in 2020/21 and the reasons for this.
- F. Note that the level of school balances stand at £5.995m (£1.891m in 2019/20).
- G. Approve net budget variations of £4.812m to the 2020/21 capital programme, detailed in Appendix 9 / Table 18 and the re-profiled 2020/21 capital budget of £68.566m.
- H. Approve the re-profiled capital budgets of £157.430m for 2021/22, including slippage of £2.828m from 2020/21, £115.644m for 2022/23 and £15.070m for 2023/24 as detailed in Appendix 9 / Table 19.
- I. Accept the outturn expenditure set out in Appendix 9 of £65.738m, representing 96% of the revised capital budget for 2020/21.
- J. Approve retaining a balance of capital receipts set aside of £20.036m as at 31st March 2021 to generate a one-off Minimum Revenue Provision saving of £0.708m in 2021/22.
- K. Approve the write off of the capital loan to SCC No.1 company up to the value of £0.450m with no General Fund impact

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 2020/21 and therefore considers the effect that the underspend 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 outturn position as budget pressures have arisen.

6. Revenue Outturn Position

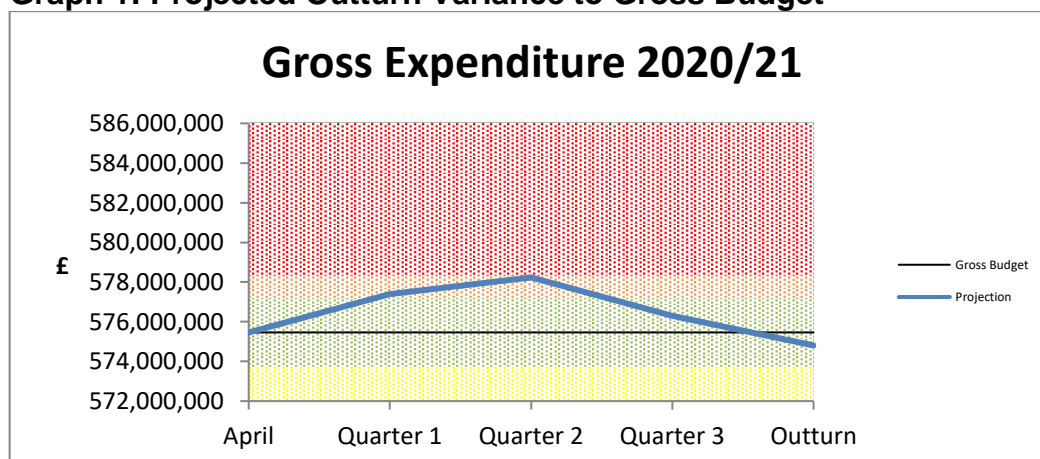
6.1 The final outturn for 2020/21 shows net controllable revenue expenditure of £224.866m and a controllable underspend of (£0.655m). The overall position for service areas is detailed in Table 1.

Table 1 – Final Controllable Outturn

	£'000
Net Budget	225,522
Controllable Outturn for 2020/21	224,866
Controllable Underspend for 2020/21	(655)

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 underspend of (£0.655m) is falling within the green banding as shown in Graph 1 below.

Graph 1: Projected Outturn Variance to Gross Budget



6.3 The controllable underspend of (£0.655m) for 2020/21 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 £'000	Outturn £'000	(Under) / Overspend £'000	RAGY Classification
Adult Services	118,610	116,739	(1,871)	Y
Central DSG	-	-	-	G
Children's Services	53,030	55,726	2,696	R
Corporate Budgets	(8,882)	(13,322)	(4,440)	Y
Finance, Governance & Assurance	2,629	2,304	(325)	Y
Legal & Democratic Services	457	615	158	R
Place	59,904	62,208	2,304	R
Strategic Management Board	4	373	369	R
Workforce & Transformation	(231)	224	455	R
Total	225,522	224,866	(655)	Y

6.4 Further analysis of the variations to budgets for all service areas is provided within Appendix 1.

7. Covid-19

7.1 The total financial impact of COVID-19 (including grants passported to third parties) was £174.034m and is made up as shown in Table 3:

Table 3 - Total Financial impact of COVID 19 2020/21

	£'000
Unringfenced MHCLG grant to support direct Local Authority expenditure and loss of income	22,023
Income from Coronavirus Job Retention Scheme (for furlough costs) and eligible Sales Fees & Charges losses	4,823
Other specific funding streams deployed against specific activity or passported directly to third parties	147,188
TOTAL	174,034

7.2 As at 31st March 2021, £22.410m non-ringfenced Covid-19 grant had been received by the Council. £0.387m of the grant was applied in 2019/20 to offset additional expenditure and loss of income incurred in March 2020, leaving £22.023m remaining grant balance available to offset additional costs and loss of income incurred as a result of the pandemic in 2020/21. In 2020/21, the remaining grant balance has been applied as follows:

Table 4 - Use of Unringfenced MHCLG Grant

Use of Grant	Value of Grant Applied (£'000)
Additional Expenditure Incurred	11,066
Net Loss of Income Incurred After Application of Other Grants	6,784
Unachieved Savings Offset (2020/21 and Historic Savings Not Achieved in 2020/21 Due to Covid-19)	3,993
Contribution to Directors' and Senior Management Time Spent Managing the Pandemic	181
Total	22,023

- 7.3 There are no additional costs or loss of income incurred as a result of the pandemic which are unfunded in 2020/21. To date, the funding provided by Government during the course of the pandemic has been adequate to fund the costs arising. We expect that this will continue for as long as the pandemic continues. The funding to date has been applied to direct costs arising in year but the impact of any factors such as repressed demand might yet appear as a pressure some years into the future.
- 7.4 Additional expenditure due to Covid-19 has been incurred in 2020/21 as shown in Table 5.

Table 5 – Additional Expenditure due to Covid-19

Covid-19 Additional Expenditure Area	2020/21 Expenditure (£'000)
Adult Social Care	3,720
Children's Social Care	2,910
Homelessness	1,415
Leisure Services	849
PPE	558
Communications and ICT Services	427
Lockdown Compliance and Reopening Costs (including Reopening of High Streets)	325
Delivery of Food Parcels and Essential Supplies, and Grants to Community Groups	276
Public Health	222
Legal Services (Child Care)	84
Transport	80
Learning and Skills	60
Waste Management	60
Finance	30
Contribution to WMCA Covid-19 Hub	20
Outdoor Partnerships (Rights of Way)	17
Arts Grants	13
Risk Management and Insurance	1
Total	11,066

- 7.5 The Council has been able to claim £1.188m Coronavirus Job Retention Scheme grant to cover costs of furloughed staff, and has also been able to apply for £3.635m grant to cover loss of sales, fees and charges income. Following application of these grants, the remaining net loss of income as a result of the pandemic has been £6.784m, which has been offset by the unringfenced Covid-19 grant. Loss of income is shown in Table 6.

Table 6 – Covid 19 Loss of income and Covid funding applied

Covid-19 Loss of Income					
Service Area	Job Retention Scheme Income Received from HMRC (£'000)	2020/21 Net Loss of Income Due to Covid-19 (£) (Net loss includes savings on expenditure as a result of service reduction, including Job Retention Scheme income)	Loss of Sales Fees and Charges Income to be Claimed from MHCLG (£'000)	Contribution from Unringfenced Covid-19 Grant to Fund Remaining Loss (£'000)	2020/21 Net Loss of Income Due to Covid-19, After Central Government Compensation (£'000)
Adult Services					
Business Support and Development	(30)	0	0	(0)	0
Adult Social Care Provider Services	0	64	(6)	(58)	0
Adult Social Care Operations	0	106	0	(106)	0
Housing Services	0	66	(44)	(22)	0
Registrars	0	245	(149)	(96)	0
Regulatory Services	0	1	0	(1)	0
Trading Standards and Licensing	0	63	0	(63)	0
Children's Social Care and Safeguarding	(12)	0	0	0	0
Learning and Skills	0	164	(13)	(152)	0
Revenues and Benefits	0	1,168	0	(1,168)	0
Corporate Landlord	(2)	448	0	(448)	0
Property Services	0	0	0	(0)	0
Shire Services	(961)	970	(44)	(926)	0
Planning Services	0	4	0	(4)	0
Shrewsbury Shopping Centres	0	714	0	(714)	0
Highways	0	5	0	(5)	0
Environment and Transport - Parking	0	3,447	(1,907)	(1,540)	0
Waste Management	0	382	0	(382)	0
Leisure	(63)	542	(374)	(168)	0
Libraries	0	39	(26)	(13)	0
Museums and Archives	(28)	135	(59)	(76)	0
Outdoor Partnerships	0	77	(13)	(64)	0
Theatre Services	(92)	1,779	(1,001)	(777)	0
Total	(1,188)	10,419	(3,635)	(6,784)	0

7.6 In addition to the non-ringfenced grant of £22.410m, the Council has also been provided with several ringfenced grants in order to respond to the pandemic in various targeted ways. Grants awarded in 2020/21 are as shown in Table 7 below. Expenditure and grant income are included within service area income and expenditure positions. Some of the grants (e.g. business grants) have been passported through to third parties so do not count towards supporting local authority expenditure/activities. There is no net financial impact of the activities funded by the grants below within the Outturn position.

Table 7 – Covid 19 Ringfenced Funding/Grants

Other Covid-19 Grants and Support	Grant Received £'000	Grant Applied to Offset Costs Incurred £'000	Grant Returned due to Conditions not being Met £'000	Remaining Grant Held for Use in 2021/22* £'000
Business Support Grant	94,306	85,983	8,157	166
Local Restrictions Support Grants / Closed Business Grants / Additional Restrictions Grant / Christmas Support Payment	60,337	44,937	0	15,401
Infection Control Fund	8,631	8,590	16	25
Contain Outbreak Management Fund	7,455	611	0	6,844
Loss of Sales, Fees and Charges Income Compensation	2,298	3,635	0	(1,337)*
Covid-19 Hardship Fund	1,540	1,540	0	0
Coronavirus Job Retention Scheme	1,200	1,282	0	(82)*
Test and Trace Support Grant	1,127	766	0	361
Rapid Testing Fund	1,120	1,120	0	0
Covid-19 Bus Service Support Grant	992	0	0	992
Sport England National Leisure Recovery Fund	814	349	0	465
Workforce Capacity Fund	697	697	0	0
Self Isolation Grant (Test and Trace Support Payments)	613	188	0	425
Covid-19 Winter Grant Scheme	465	783	0	(318)*
Home to School Transport Grant	350	241	0	109
Support for the Clinically Extremely Vulnerable	313	0	0	313
Emergency Assistance Grant	312	157	0	155
Reopening High Streets Safely Fund	0	288	0	(288)*
Covid-19 New Burdens	247	0	0	246
Supported Bus Services	229	229	0	0
Compliance and Enforcement Grant	145	145	0	0
Active Travel Grant	138	32	0	106
Community Testing Grant	130	360	0	(229)*
Travel Demand Management Grant	75	75	0	0
Eat Out to Help Out	4	4	0	0
Total	183,537	152,011	8,173	23,353

*Debit grant balances indicate that grant funding is still to be received to offset expenditure incurred

8. Update on Savings Delivery

8.1 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 2020/21 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 8: 2020/21 Savings – Final Outturn

Service Area	Red £'000	Green £'000	Total Savings £'000
Adult Services	1,787	5,259	7,046
Central DSG	-	-	-
Children's Services	2,051	356	2,407
Corporate Budgets	51	562	613
Finance, Governance and Assurance	-	558	558
Legal and Democratic Services	127	273	400
Place	1,268	3,796	5,064
Strategic Management Board	-	-	-
Workforce and Transformation	1,756	881	2,637
Council	7,040	11,686	18,725

8.2 The figures presented above show that despite managing the implications of the global pandemic, including lockdown restrictions, staff redeployment and revised service delivery, 62% of the 2020/21 approved savings were nevertheless achieved and rated green. The remaining savings were rated red, and where this was directly attributable to covid-19 implications have been covered by unringfenced government grant. Paragraph 8.4 below provides further detail on the red savings.

8.3 Table 9 provides further analysis of savings delivery impact on final position for each service area. A summary of savings unachieved in 2020/21 are shown in

the table below, as well as the impact of Covid-19 on the delivery of the savings. A detailed view can be found at Appendix 2.

Table 9 – Covid 19 Loss of income and Covid funding applied

Directorate	2020/21 Original Saving Required (£'000)	Element Rated Red (£'000)	Covid-19 grant applied to unachieved Savings (£'000)
Adult Services	1,904	1,787	1,072
Children's Services	2,157	2,051	2,007
Corporate Budgets	163	51	-
Legal and Democratic Services	127	127	-
Place	1,332	1,268	718
Workforce and Transformation	1,947	1,756	132
TOTAL	7,630	7,040	3,929

- 8.4 As per Table 9, £7.040m 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 2021/22, growth funding has been applied in order to remove the 2020/21 red savings that have been determined to be undeliverable. Following the application of growth funding during the budget setting process, £5.954m 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 Senior Managers throughout 2021/22. Red savings carried forward are summarised in Table 10. More detail is shown in Appendix 3 as well as updated descriptions for 2021/22 delivery where appropriate.

Table 10 – Savings carried forward for delivery in 2021/22

Directorate	Value Unachieved and Carried Forward into 2021/22 (£'000)
Children's Services	2,051
Workforce and Transformation	1,614
Adult Services	1,787

Place	502
TOTAL	5,954

- 8.5 More detail on these, and all of the 2020/21 red savings, is provided within the relevant service sections of Appendix 1.
- 8.6 In addition to the red savings pressures, a number of ongoing pressures were identified within service areas during the year totaling £5.019m. £3.296m of these ongoing pressures have arisen as a result of previous years' unachieved savings. These ongoing pressures are summarised by directorate in Table 11 and shown in more detail at Appendix 4:

Table 11 – Ongoing Services pressures identified during 2020/21

	£m
Adult Services	0.749
Children's Services	0.179
Place	2.046
Resources	2.045
TOTAL Ongoing Monitoring Pressure (impact in 20/21)	5.019

- 8.7 All of these budget pressures are forecast to impact budget positions in 2021/22. 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. Appendix 5 shows the impact of the ongoing pressures identified in 2020/21 on each service area's outturn position.

9. General Fund Balance

- 9.1. The effect on the Council's reserves of the outturn forecast 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 2020/21 the minimum balance required would therefore be £2.877m, although this is no longer considered to be an acceptable guide.
- 9.2. The more appropriate risk-based target balance for the General Fund, as calculated in the General Fund Balance section of the Medium Term Financial Strategy, reported to Council on 25th February 2021, is £15.482m. The 2021/22 value will be reassessed ahead of the next Financial Year and planning adjusted accordingly.

- 9.3. The Council received one-off funding in 2018/19 and 2019/20 of £0.315m to fund any cost implication arising from Brexit. The funding was contributed to the General Fund and any residual costs arising from Brexit have to be found from the General Fund balance. Expenditure in 2020/21 has been £0.052m, incurred within Regulatory Services. There is £0.219m of Brexit funding remaining available for use in 2021/22.
- 9.4. In 2019/20 the General Fund was used to pay for the emergency expenditure incurred during Storm Dennis. In 2020/21, the General Fund has been credited with (£0.059m) grant income following the Council's Bellwin claim relating to the storm.
- 9.5. In 2019/20, the General Fund was 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. The General Fund has been used again in 2020/21 to offset Shire Services' unfunded deficit, following a year in which the service has been unable to repay the loan made in 2019/20. Therefore, the total loan now stands at £0.272m, and agreement will be reached for this to be repaid within a reasonable time frame.
- 9.6. Predominantly due to the outturn position, the General Fund balance has increased at year-end to £14.091m, as shown in Table 12. The balance remains significantly below the required risk assessed target of £15.482m but has increased by £0.580m (4%) since 31st March 2020.

Table 12: General Fund Balance as at 31 March 2021

	£'000
General Fund Balance as at 31 March 2020	13,510
Brexit Expenditure	(52)
Bellwin Grant from MHCLG relating to Storm Dennis (2019/20)	59
Use of Fund to Offset Shire Services' Deficit Position – to be repaid by Shire Services in 2021/22	(190)
Outturn Controllable Underspend	655
Outturn Non-Controllable Insurance Underspend	109
Net Increase Resulting from Outturn Position	764
Balance at 31 March 2021	14,091

10. Housing Revenue Account (Appendix 6)

- 10.1 The Housing Revenue Account (HRA) outturn for 2020/21 shows a surplus of (£1.201m) against a budgeted deficit of £2.443m, giving a (£3.634m) variance against the approved budget, which represents 20% of the gross turnover of

£18.087m. The HRA was due to make a direct contribution of £3.699m to part finance the capital works programme for major repairs and building new affordable homes, however delays in these capital schemes have resulted in the majority of this spend being delayed and therefore this spend will instead be released in 2021/22. As at 31 March 2021 the HRA reserve stood at £11.341m and these funds are available to finance future HRA capital works or for the repayment of HRA debt.

11. Reserves and Provisions (Appendix 8)

11.1. 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.

11.2. The overall position for reserves and provisions is set out in the Statement of Accounts 2020/21, however a detailed breakdown of the balances is contained at Appendix 8, 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 13. The table shows an increase of £26.1m during the year this includes £20m S31 Business Rate Relief funding, aimed to address the collection fund deficit arising in future years as a result of the pandemic, is removed the balance has remained relatively stable.

Table 13: Movement in Reserves and Provisions 2020/21

	Reserves	Provisions	Bad Debt Provisions	Total Reserves & Provisions
	£'000	£'000	£'000	£'000
As at 31 March 2020	67,993	15,046	13,194	96,233
As at 31 March 2021	93,658	12,855	15,842	122,355
Increase/(Decrease)	25,665	-2,191	2,648	26,123
Delegated School Balances Movement	4,104	0	0	4,104
Increase/(Decrease) (excluding Delegated School Balances)	21,561	-2,191	2,648	22,019

- 11.3. In accordance with the financial strategy the Council plans to use one off funding to close the funding gap between 2021/22 and 2022/23. This will result in the Financial Strategy Reserve reducing to zero by 2022/23 unless an alternative strategy is followed. 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 14:

Table 14: Estimated Future Balances on Earmarked Reserves and Provisions

	Balance c/f	Estimated Closing Balance	
	31/03/2021	31/03/2022	31/03/2023
	2020/21	2021/22	2022/23
	£'000	£'000	£'000
Financial Strategy Reserve	20,599	7,043	0
Development Reserve	8,595	6,446	5,157
COVID Government Funding Reserve	23,093	0	0
Other Earmarked Reserves	35,376	33,619	26,895
Provisions	28,697	28,697	28,697
TOTAL	116,360	75,805	60,749

12. Delegated School Balances

- 12.1. The movement in delegated schools' balances are detailed in Table 15.

Table 15: Movement in delegated schools' balances 2020/21

	2019/20	2020/21	Increase/ (Decrease)
	£000	£000	£000
Schools:			
- Revenue Balances	3,041	4,905	1,864
- Invested Balances	516	499	(17)
- Extended Schools Activities Balance	623	604	(19)
Sub Total within Schools	4,180	6,008	1,828
Purchasing IT equipment	(41)	(12)	29
DSG Deficit	(2,248)	(659)	1,588
Total Delegated School Balances	1,891	5,336	3,444

- 12.2. 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, 3 have deficit balances.

- 12.3. The Extended Schools activities allocations for schools were paid over during 2020/21, these balances have been ringfenced to each individual school within School Balances.
- 12.4. 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 2020/21 £0.012m of the £6.008m was being used in this way.
- 12.5. In 2019/20 there was a deficit position of £2.248m on the Dedicated Schools Grant (DSG) where expenditure, particularly within the High Needs Block was in excess of the DSG funding received. The balance or deficit was due to be repaid by schools as soon as possible. In 2020, new reporting requirements were introduced to establish a new reserve for Dedicated Schools Grant balances. For those local authorities with a schools' budget surplus, the requirement is that the surplus is held in an earmarked useable reserve. Shropshire Council has a £0.659m DSG deficit which is required to be held in a statutorily ring-fenced unusable reserve called the DSG Adjustment Account.

13. Original & Final Capital Programme for 2020/21

- 13.1. The capital budget for 2020/21 was subject to a review of all projects at Quarter 3 and re-profiling where required into future years with no further re-profiling into future years being anticipated during Quarter 4. However, in Quarter 4 it has been necessary to undertake further re-profiling of £4.076m. Additionally, in Quarter 4 there has been a net budget decrease of £0.736m for 2020/21. In total, during Quarter 4 there has been a net budget decrease of £4.812m compared to the position reported at Quarter 3 2020/21. Table 16 summarises the overall movement between that already approved and changes for Quarter 4 that require approval.

Table 16: Revised Capital Programme Quarter 4 2020/21

Detail	Agreed Capital Programme - Council 27/02/20 £m	Slippage & Budget Changes Approved To Quarter 3 2020/21 £m	Quarter 4 Budget Changes to be Approved £m	Revised 2020/21 Capital Programme Quarter 4 £m
General Fund				
Adult Services	7.537	(3.883)	(0.039)	3.615
Childrens Services	15.611	(8.701)	(1.026)	5.885
Place & Enterprise	72.225	(16.743)	(3.193)	52.289
Workforce & Transformation	1.400	(0.005)	(0.750)	0.645
Total General Fund	96.774	(29.332)	(5.008)	62.434
Housing Revenue Account	22.256	(16.319)	0.20	6.133
Total Approved Budget	119.029	(45.651)	(4.812)	68.566

- 13.2. Full details of all budget changes are provided in Appendix 9 to this report. A summary of the significant budget changes for 2021/21 and future years are detailed below:

Budget Increases

- Increase of £0.517m funding from capital receipts for the acquisition of two new HRA properties (£0.219m), various HRA property acquisitions (£0.290m) and to cover SDLT payments (£0.008m) on HRA acquisitions.
- Increase of £0.079m in S106 contributions in relation to various ITP schemes (£0.057m) and a parish council scheme (£0.022m).
- Increase of £0.204m funding from CIL contributions for a newly approved grant.
- Increase of £0.026m PWLB borrowing requirements in relation to an acquisition to cover additional expenditure.
- Increase of £0.001m in private sector contributions in relation to a heritage asset acquisition.
- Increase of £0.100m in S106 contributions in relation to Affordable Housing schemes.
- Increase of £0.053m in capital receipts funding in relation to the Market Drayton Business Grant scheme.
- Increase of £0.013m in S106 contributions in relation to a school scheme.
- Grant award of £0.011m from Affordable Warmth Solutions in relation to the Warms Homes scheme.
- Increase of £0.011m in revenue contributions in relation to various school schemes.
- Increase of £0.011m in other contributions in relation to a school scheme.
- Grant award of £0.005 from Historic England in relation to Oswestry Heritage Action Zone.

Budget Decreases

- Reduction of £0.320m HCA grant in relation to the HRA New Build Phase 5 scheme.
- Reduction of £0.048m DFC grant as a result of school academy conversions.
- Reduction of £0.060m revenue contributions for a completed Corporate Landlord schemes.
- Reduction of £0.007m capital receipts funding in relation to a completed school scheme (£0.001m) and a school academy conversion (£0.006m).
- Reduction of £0.734m in S106 contributions in relation to completion of The Tannery scheme.
- Reduction of £0.577m in the Prudential borrowing requirement in relation to completion of The Tannery scheme.
- Reduction of £0.016m in revenue contributions in relation to the completion of a Theatre Severn project.
- Reduction of £0.015m in CIL contributions in relation to a school scheme.

Budget Re-profiling

- **Adult Services**

Reprofiling of £0.050m Department of Health (DoH) Disabled Facilities grant in relation to the future programme.

- **Children's Services**

Reprofiling of £0.812m unallocated Condition grant in relation to school schemes to reflect expected expenditure profile.

Reprofiling of £0.147m SEND Special Provision grant funding in relation to SEND Bitterley Primary scheme (£0.087m) and unallocated funds (£0.060m) to reflect expected expenditure profile and future delivery of schemes respectively.

Reprofiling of £0.088m of capital receipts in relation to school schemes to reflect anticipated future delivery.

Reprofiling of £0.010m revenue contributions to reflect expected expenditure profile in relation to a school scheme.

Reprofiling of £0.010m capital receipts funding in relation to a school schemes to reflect the actual expenditure profile.

- **Place**

Reprofiling of £1.539m capital receipts to reflect expected expenditure profiles in relation to Shirehall Refurbishment scheme (£0.100m), Broadband Project Phase 4 & 5 (£1.135m), Shrewsbury Self Build scheme (£0.300m) and Old Rectory, Whitchurch scheme (£0.004m).

Reprofiling of £0.400m S106 contributions in relation to Whitchurch Medical Practice to reflect expected expenditure profile.

Reprofiling of £0.300m of funding in relation to the SEPUBU Phase 2 programme; £0.180m of ERDF grant and £0.120m revenue contributions to reflect expected delivery of projects.

- **Workforce & Transformation**

Reprofiling of £0.750m capital receipts in relation to ICT Digital Transformation to reflect the anticipated expenditure profile and future delivery of the programme.

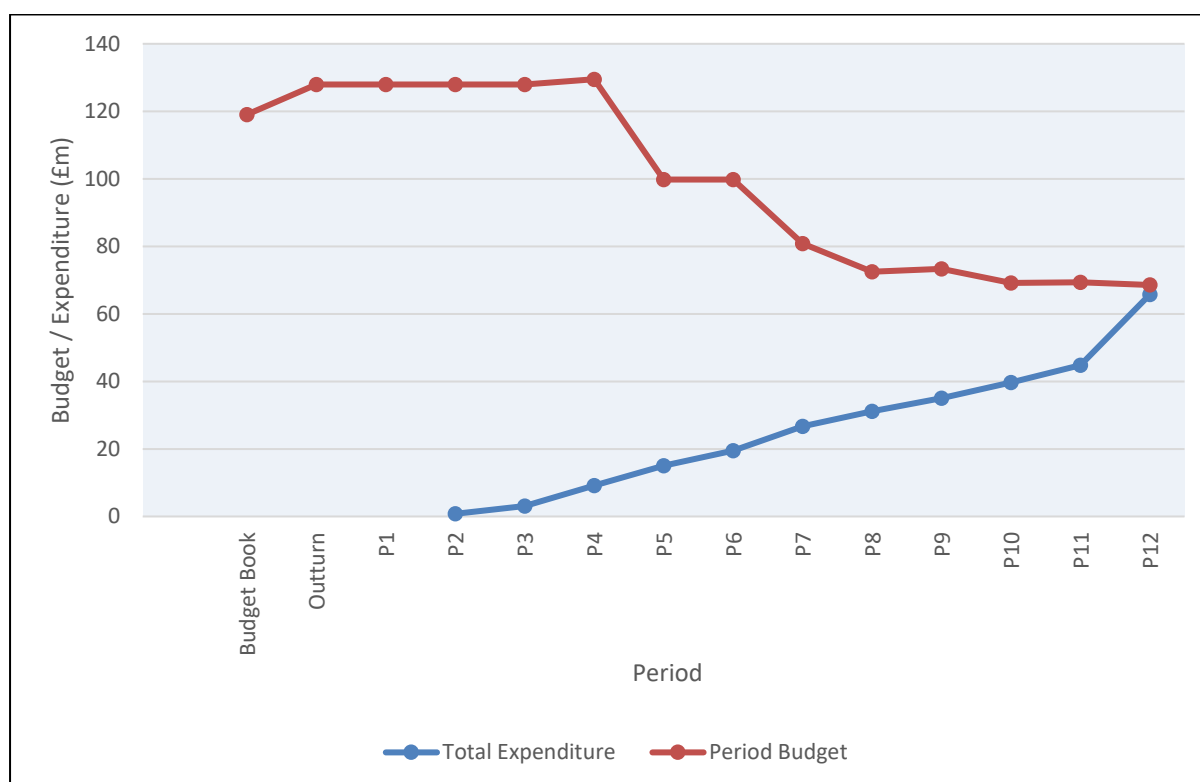
14. Capital Outturn Position

- 14.1. Outturn projections are incorporated into the capital monitor to enhance the monitoring information provided and allow the early identification where schemes are deviating from budget. Table 17 summarises the outturn position for 2020/21.

Table 17: Capital Programme Outturn Position by Directorate 2020/21

Detail	Revised Capital Programme - Outturn 2020/21 £m	Actual Expenditure 31/03/2021 £m	Variance £m	Spend To Budget %
General Fund				
Adult Services	2.601	2.447	0.154	94%
Childrens Services	7.176	4.430	2.746	62%
Place	52.012	53.864	(1.852)	104%
Workforce & Transformation	0.645	0.451	0.194	70%
Total General Fund	62.434	61.192	1.242	98%
Housing Revenue Account	6.133	4.547	1.586	74%
Total Approved Budget	68.566	65.739	2.828	96%

14.2. Total capital expenditure for 2020/21 was £65.739m, which equated to 96% of the re-profiled capital programme of £68.566m. The graph below shows actual expenditure by period and tracks the period by period changes to the budget.



14.3. There was a total variance of £2.828m between the revised Outturn Budget and the Outturn Expenditure. All of this underspend will be slipped to 2021/22 to facilitate completion of projects commenced in 2020/21. A summary of significant variances by service area are provided below.

- 14.4. **Place** – Total overspend against the Place capital programme was £1.852m, which was comprised of the following underspends and overspends:
- £0.661m underspend against SITP due to a delay in the delivery of the VAS Programme which is now scheduled for 2021/22.
 - £0.393m underspend against Phase 3 of the Broadband Project as the contractor is slightly behind the milestone delivery schedule for which a remediation plan has been instigated with works expected to be back on target in early 2021/22.
 - £0.260m underspend against the Ellesmere Remediation scheme where the land clearance is to be managed by Cornovii during 2021/22.
 - £0.800m underspend against Corporate Landlord capital maintenance programme due to delays in the deliverability of some schemes as a result of the COVID-19 pandemic, however, schemes are expected to complete in early 2021/22.
 - £0.480m underspend against the LTP Programme where overall outturn is below budget due to project deliverability delays as a result of the COVID-19 pandemic with schemes now expected to complete in early 2021/22.
 - £3.308m overspend against Pride Hill Shopping Centre as a result of a land acquisition originally planned for 2021/22 actually being completed very late in 2020/21.
- 14.5. **Adult Services** – Total underspend against Adult Services was £0.154m. This was £0.107m on Social Care schemes, £0.055m on Supported Living schemes, £0.017m on Private Sector Housing schemes, £0.009m on Housing Health & Wellbeing and an overspend of £0.034m on Warm Homes schemes.
- 14.6. **Children's Services** – Total underspend against the Children's Services capital programme was £2.746m. The most significant areas of underspend were £0.291m on the Full Fibre Installation Programme where works have been completed, however, the contractor has not yet submitted a payment request, and £1.785m on the School Future Place Planning Programme where schemes are progressing but payments are behind the anticipated profile.
- 14.7. **Workforce & Transformation** – Total underspend against the Workforce & Transformation capital programme was £0.194m in relation to the ICT Digital Transformation Programme.
- 14.8. **Housing Revenue Account** – Total underspend against the HRA programme was £1.586m, of which £0.918m was on the Major Repairs Programme and £0.668m was on the New Build Programme. Works on the maintenance programme were delayed due to access restrictions as a result of the COVID-19 pandemic, however, there has been no overall impact in quality of housing and work is expected to resume in early 2021/22. The underspend on the New Build Programme arose as land acquisition at Weston Rhyn did not complete within 2020/21.

15. Financing of the Capital Programme

- 15.1. Appendix 9 provides a full summary of the financing of the 2020/21 capital programme. Table 18 summarises the financing sources and changes made to Quarter 3 and to be approved to Quarter 4.
- 15.2 Within the financing of the Capital Programme £1.267m is funded from revenue contributions. The major areas of revenue contributions to capital are in ringfenced HRA monies to undertake major housing stock repairs (£0.465m) and new build schemes (£0.700m), and essential repairs in relation to the Corporate Landlord estate (£0.056m)

Table 18: Revised Capital Programme Financing

Financing	Agreed Capital Programme - Council 27/02/20	Slippage & Budget Changes Approved To Quarter 3 2020/21	Quarter 4 Budget Changes to be Approved	Revised 2020/21 Capital Programme Quarter 4
	£m	£m	£m	£m
Self Financed Prudential Borrowing *	43.635	(39.062)	(0.551)	4.022
Government Grants	43.723	3.591	(1.455)	45.859
Other Grants	-	0.461	(0.175)	0.286
Other Contributions	14.043	(6.190)	0.00	7.854
Revenue Contributions to Capital	4.180	(2.780)	(0.132)	1.267
Major Repairs Allowance	5.026	(1.574)	0.00	3.452
Corporate Resources (expectation - Capital Receipts only)	8.423	(0.097)	(2.500)	5.826
Total Confirmed Funding	119.029	(45.651)	(4.812)	68.566

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

16. Projected Longer Term Capital Programme to aid Medium Term Financial Plan

- 16.1. The updated capital programme is summarised by year and financing in Table 19 below:

Table 19: Capital Programme 2021/22 to 2023/24

Detail	2021/22	2022/23	2023/24
	£	£	£
General Fund			
Adult Services	13.502	3.513	-
Childrens Services	23.296	5.500	-
Place & Enterprise	98.583	86.803	1.070
Workforce & Transformation	1.750	0.000	-
Total General Fund	137.132	95.816	1.070
Housing Revenue Account	20.298	19.828	14.000
Total Approved Budget	157.430	115.644	15.070
Financing			
Self Financed Prudential Borrowing *	48.442	41.445	10.798
Government Grants	55.402	61.875	3.000
Other Grants	0.226	0.438	0.271
Other Contributions	26.265	0.058	-
Revenue Contributions to Capital	4.439	3.048	1.000
Major Repairs Allowance	3.780	3.780	-
Corporate Resources (expectation - Capital Receipts only)	18.876	5.000	-
Total Confirmed Funding	157.430	115.644	15.070

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

16.2. 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.

17. Capital Receipts Position

17.1. 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 20 below, summarises the current allocated and projected capital receipt position across 2020/21 to 2023/24. 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.

17.2. Capital receipts of £19.619m were brought forward from 2019/20 and £5.869m was generated in 2020/21. 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, £0.679m has been used to finance redundancy costs under the recent flexibilities around the use of Capital Receipts for transformation revenue purposes.

Table 20: Projected Capital Receipts Position

Detail	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Corporate Resources Allocated in Capital Programme	2.772	18.322	5.000	-
Capital Receipts used to finance redundancy costs	0.679	-	-	-
To be allocated from Ring Fenced Receipts	-	-	22.489	5.622
Total Commitments	3.452	18.322	27.489	5.622
Capital Receipts in hand/projected:				
Brought Forward in hand	19.619	22.036	4.224	23.265
Generated 2020/21 YTD	5.869	-	-	-
Projected - 'Green'	-	0.509	-	-
Total in hand/projected	25.488	22.546	4.224	23.265
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	-	-	23.265	28.888
Further Assets Being Considered for Disposal	-	22.449	12.208	13.250

- 17.3. Following the underspend position for the capital programme for 2020/21 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 £22.036m in capital receipts in hand at 31/03/21. These will be set-aside, enabling the Council to achieve an additional MRP saving of £0.708m in 2021/22. These capital receipts are required to finance schemes they are allocated to in the future years' capital programme.
- 17.4. Based on the current approved position, across the life of the programme there is a surplus in capital receipt projections of £4.224m in 2021/22 and shortfalls of £23.265m and £28.888m in 2022/23 and 2023/24 respectively 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 £47.907m 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.
- 17.5. It is important that work progresses, to avoid funding shortfalls in 2022/23 and 2023/24 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.

- 17.6. The projected shortfall in capital receipts is purely based on the currently approved capital programme for the period 2021/22 to 2023/24. The current Capital Strategy 2021/22 to 2025/26, approved by Council in February 2021, identifies potential future capital schemes with estimated costs of £200.237m. 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.

18. Unsupported borrowing and the revenue consequences

- 18.1. 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 2.10% and is currently only projected to rise by around 0.20% 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.

19. Write Off Approval

- 19.1. In line with recommendation K Cabinet is requested to approve the write off of the capital loan advanced to SCC No.1 company in March 2018 to purchase their 1% share in the Shopping Centres JPUT (Jersey Property Unit Trust). As part of the onshoring exercise completed in 20/21 this write off is necessary as part of closing down the company and will not have an impact on the General Fund.

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 2020/21

Financial Rules

Financial Monitoring Report – Quarter 1 2020/21

Financial Monitoring Report – Quarter 2 2020/21

Financial Monitoring Report – Quarter 3 2020/21

Appendices

1. Service Area Outturn 2020/21
2. Unachieved Savings 2020/21
3. Unachieved savings to be carried forward for delivery in 2021/22
4. Ongoing Services Pressures 2020/21
5. Reconciliation of Monitoring Projections to Savings Delivery
6. Housing Revenue Account 2020/21
7. Amendments to Original Revenue Budget 2020/21
8. Reserves and Provisions 2020/21
9. Capital Budget and Expenditure 2020/21

Service Area Outturn 2020/21**Summary**

Directorate	Full year			RAG BY	FOR INFO ONLY		
	Net Budget £	Controllable Outturn £	Controllable Variation £		Outturn (incl. Non Controllable items*) £	Non Controllable Variation £	Total Variation £
Adult Services	118,610,010	116,739,150	(1,870,860)	Y	117,725,690	986,540	(884,320)
Central DSG	-	-	-	G	-	-	-
Children's Services	53,030,110	55,726,498	2,696,388	R	56,904,718	1,178,220	3,874,608
Corporate Budgets	(8,881,950)	(13,322,373)	(4,440,423)	Y	(17,292,658)	(3,970,312)	(8,410,735)
Finance, Governance & Assurance	2,629,300	2,303,491	(325,809)	R	2,527,431	223,940	(101,869)
Legal & Democratic Services	457,030	614,731	157,701	R	645,781	31,050	188,751
Place	59,903,900	62,207,652	2,303,752	R	63,495,162	1,287,510	3,591,262
Strategic Management Board	4,290	373,290	369,000	R	373,200	(90)	368,910
Workforce & Transformation	(231,120)	224,008	455,128	R	378,508	154,500	609,628
TOTAL	225,521,570	224,866,448	(655,122)	Y	224,757,806	(108,642)	(763,764)

*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 £	Controllable Outturn £	Controllable Variance £	
Total	118,610,010	116,739,150	(1,870,860)	Y

Adult Services Business Support and Development	Portfolio Holder Adult Social Services and Climate Change	3,417,870	3,114,059	(303,811)	Y
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There is an underspend within Business Support and Development of (£0.304m) which is largely due to the use of external funding to fund posts that have assisted with Covid-19 based activities/support. The service has also carried a number of managed vacancies. The vacancies are not sustainable beyond the short-term, but have not impacted service delivery in 2020/21. A summary of the major variances are as follows:

- (£0.139m) underspend on Business Support. This is largely down to staffing and costs associated with the posts. The majority of these posts have assisted with Covid-19 activities, and so Covid-19 funding streams have funded the cost of the posts rather than base budget.
- (£0.125m) underspend on Joint Training and the Professional Development Unit. As per above, Covid-19 funding streams have been utilised to fund some staffing costs.
- (£0.042m) underspend within Enable. Delivery and staffing costs were less than expected.

Adult Services Management	Portfolio Holder Adult Social Services and Climate Change	2,014,870	2,114,374	99,504	A
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There is an overspend within Adult Services Management of £0.100m. A summary of the major variances is as follows:

- (£0.100m) underspend on staffing due to a Head of Service post not yet being appointed to, and the application of Covid-19 grant funding towards senior management team costs.
- £0.200m overspend due to an unachieved saving relating to PFI building contracts.

Provider Services	Portfolio Holder Adult Social Services and Climate Change	2,956,470	2,793,752	(162,718)	Y
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There is an underspend within Provider Services of (£0.163m). The major variances are as follows:

- (£0.120m) underspend on preventative services contracts and increased Shared Lives Housing Benefit. This is a one-off saving in year.
- (£0.043m) underspend across our Internal Day Services, Four Rivers Nursing Home and our in-house reablement service (START). In Day Services, there is a loss of income but this is offset by reduced staffing costs and Covid-19 grant income. A net underspend has been incurred at Four Rivers Nursing home due to additional government grant income and nursing client income received. There is a small overspend on staffing costs within START.

Housing Services	Portfolio Holder Housing and Strategic Planning	2,456,440	2,980,773	524,333	R
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There is an overspend within Housing Services of £0.524m. The major variances are as follows:

- (£0.243m) underspend on staffing due to anticipated in-year staff vacancies.
- (£0.083m) net effect of under-achievement of income targets, offset by Covid-19 grant monies and underspend in service delivery related to projects such as assistive technology and Tech Severn.
- £0.276m overspend relating to the unachievement of savings. The gross unachievement of savings figure is £0.818m but this has been offset by one-off application of Covid-19 monies as the unachievement of savings is directly attributable to Covid-19.
- (£0.187m) one-off savings achieved in prevention contracts
- £0.724m overspend on temporary accommodation, due to an unprecedented number of homeless cases. Savings targets have been proposed by reducing the reliance on more expensive bed and breakfast usage.
- £0.037m bad debt provision added to the revenue costs in year.

Social Care Operations	Portfolio Holder Adult Social Services and Climate Change	103,662,710	102,617,337	(1,045,373)	Y
<p>There is an underspend of (£1.045m) within the Social Care Operations section of Adult Services. The major variances are as follows:</p> <ul style="list-style-type: none"> • (£0.664m) underspend within the purchasing budget. This is due to the level of growth that was applied at budget setting not materialising. This could be partly, or entirely, down to the impact of Covid-19, where we are seeing suppressed demand as well as an increased death rate. There is also some one-off in year funding applied from NHSE, which is funding all hospital discharges from its Covid-19 funding. This is an extremely volatile budget and assumptions made around in year growth are extremely difficult, made even more difficult due to the current pandemic and the unknown future. At year-end, demand has started to increase and we have a number of young adults requiring specialist placements. • £0.248 overspend due to increasing the bad debt provision within Social Care Operations, due to the increased outstanding debt relating to Adult Social Care clients • (£0.537m) underspend due to a local authority decision to fund OT equipment costs through the Disabled Facilities Grant, which is capital funding and which generates a revenue budget saving. This ongoing saving is to be reflected in the savings achieved in 2021/22 • (£0.191m) underspend on all operational social work staffing due to anticipated delays in appointing to a number of staff vacancies. This is not sustainable in the longer term. • £0.196m overspend within maintenance and void costs across Social Care Operations, mainly with regard to occupational therapy equipment and supported living properties, where void costs of properties are not covered by the collection of Housing Benefit of the inhabitants. • (£0.098m) underspend on transport costs, due to reduced travel due to Covid-19 restrictions 					
Bereavement Services	Deputy Portfolio Holder Public Health	(263,170)	(258,537)	4,633	G
Minor variance from budget at Outturn.					
Regulatory Services	Portfolio Holder Communities, Place Planning and Regulatory Services	2,756,110	2,174,162	(581,948)	Y
<p>There is an underspend of (£0.582m) within the Regulatory Services section of Adult Services (Public Health). The major variances are as follows:</p> <ul style="list-style-type: none"> • (£0.085m) overachievement of income. There has been a reduction in net income from private water supplies and pest control of £0.054m, but this has been offset by one-off income streams from external bodies in 20/21. • (£0.497m) underspend as a result of staffing resources reassigned to handling the Covid-19 pandemic under alternative funding streams, and due to delays in recruiting to vacant posts 					
Trading Standards and Licensing	Portfolio Holder Communities, Place Planning and Regulatory Services	667,810	341,183	(326,627)	Y
<p>There is an underspend of (£0.327m) within the Trading Standards and Licensing section of Adult Services (Public Health). The major variances are as follows:</p> <ul style="list-style-type: none"> • £0.086m gross reduction in income from penalty charge notices as a result of the Covid-19 pandemic • (£0.413m) underspend as a result of staffing resources reassigned to handling the Covid-19 pandemic under alternative funding streams, and due to delays in recruiting to vacant posts 					
Registrars and Coroners	Deputy Portfolio Holder Public Health	679,390	669,516	(9,874)	Y
Minor variance from budget at Outturn					
Non Ring Fenced Public Health Services	Deputy Portfolio Holder Public Health	247,740	178,761	(68,979)	Y
<p>There is an underspend of (£0.069m) within the Non Ring Fenced section of Adult Services (Public Health). The major variances are as follows:</p> <ul style="list-style-type: none"> • (£0.023m) underspend due to a senior manager secondment arrangement which will not be ongoing. • (£0.046m) underspend as a result of staffing resources reassigned to handling the Covid-19 pandemic under alternative funding streams. 					

Ring Fenced Public Health Services	Deputy Portfolio Holder Public Health	13,770	13,770	-	G
<p>The Ring Fenced Public Health section of Adult Services is funded by Public Health England grant. The major variances within the breakeven position are as follows:</p> <ul style="list-style-type: none"> • £0.150m of savings in relation to the redesign and procurement of sexual health services were not achieved in 20/21 due to an unsuccessful procurement exercise. • £0.025m anticipated overspend on the out of hours call monitoring contract has not been resolved in 20/21 due to resource constraints. • (£0.408m) underspends on GP, pharmacy and inpatient payments for sexual health and substance misuse services, where demand has temporarily reduced as a result of the Covid-19 outbreak. Also, a reduced outturn on NHS Healthcheck expenditure. • (£0.171m) underspend as a result of staffing resources reassigned to handling the Covid-19 pandemic under alternative funding streams. • £0.404m additional grant received from Public Health England has been committed to investment in staffing resource and has resulted in the creation of a number of posts. The delay in recruiting to these new posts in addition to the one-off underspends described above has resulted in a non-recurrent overall underspend within the ring fence of (£1.002m) in 20/21 which has been carried forward in reserves. 					
CENTRAL DSG	Full Year			RAGY	
	Budget £	Controllable Outturn £	Controllable Variance £		
Total	-	-	-	G	
Central DSG	Deputy Portfolio Holder Education	-	-	-	G
<p>There is a £1.050m surplus reported against Central Dedicated Schools Grant (DSG).</p> <p>A £0.204m underspend is reported against the £16.795m Early Years Block of DSG. It is important to note that the 2020/21 Early Years Block DSG allocation is just a provisional allocation based on January 2020 pupil numbers as at the end of the financial year. The Department for Education will publish each local authority's final allocation in July updated for January 2021 pupil numbers and officers anticipate that the allocation may reduce which will mean that the Early Years DSG is no longer reporting an underspend but in fact reflecting a position similar to the revised and final allocation or possibly showing a small overspend. This expectation is a direct result of the "double funding" of nursery placements due to Covid-19. There will be Early Years children who cannot access the free Early Years entitlement at the setting of their choice, either because it is still closed or because they have had to restrict places in order to operate safely within the current guidelines of Covid-19. This has led to the 'double funding' of the nursery places for these children. This double funding is estimated to be in the region of £0.150m.</p> <p>There is a £0.047m budget pressure on the High Needs Block of DSG. The budget pressure relates to Post 16 FE College placements and top-up funding to mainstream schools. The SEND team believe that there will be a longer term impact once lockdown restrictions are eased. The costs pressures will be from a higher than "normal" proportion of Children presenting with needs that require top-up funding e.g. increased anxiety, plus an increase in demand for high cost residential placements or contributions towards joint funded high cost placements resulting from an increase in demand for these type of placements.</p> <p>There are a number of strategies in play to address the increasing deficit on the DSG with the aim of bring the Council's DSG account back into balance. These include;</p> <ul style="list-style-type: none"> - Building capacity of maintained and academy school SEND Hubs as a more cost effective, local provision - Graduated Support Pathway (GSP) payments to children identified as requiring SEN support an early stage - Close partnership working with local mainstream college providers to realise efficiencies - Reducing reliance on Independent Special Schools through focusing on building capacity of maintained school 					

SEND hubs and the development of a new free Special School from September 2022

- Greater co-commissioning of provision with partners e.g Health and Social Care to meet the holistic needs of a child
- Continue to support schools to be inclusive and manage the increase in permanent exclusions

The majority of the underspend relates to the Schools Block of DSG including de-delegated items (£0.593m) and the Growth Fund (£0.290m)

CHILDREN'S SERVICES	Full Year			RAGY
	Budget £	Controllable Outturn £	Controllable Variance £	
Total	53,030,110	55,726,498	2,696,388	R

Children's Social Care and Safeguarding	Portfolio Holder Children's Services	32,354,320	35,600,673	3,246,353	R
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The largest overspending area within Children's Social Care was the external residential placements budget with a budget pressure of £1.258m reported. Although, these types of placement are relatively small in number, they are high cost and we believe there is an increase in demand for this type of placement due to Covid-19 increasing pressure on families during lockdown leading to an increase in neglect and abuse. There has been a large percentage increase in the number of children coming into the care of the Shropshire Council over the same period last year but this has not resulted in the same increase in residential placements. As at the end of the 2020/21 financial year, the number of external residential placements had reduced by 2 since the start of 2020/21 financial year. A commissioning and contracts manager was appointed in the 2019/20 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 significant savings in 2019/20 and 2020/21.

As stated above, at the end of the 2018/19 financial year, the Council embarked on a strategy to develop additional in-house internal residential provision. There was an overspend of £0.461m across all of the Council's internal residential homes. This overspend relates to staffing pressures resulting from Covid-19 whereby existing staff have worked additional hours to provide additional support to the children accommodated at these homes during the pandemic, plus the cost of a Project Manager post to oversee the set-up of the 2 new children's homes.

There was an underspend of £0.156m against External Fostering placements. Please note that £2.000m of ongoing costs relating to External fostering placements were recharged to the Council's Covid-19 Support Grant so the position being reported here masks the pressures against this budget described below. Shropshire has experienced a significant increase in demand for fostering placements over the last few months (in line with the

increase in looked after children described above) with a net increase of 63 new External Fostering placements during the 2020/21 financial year. These placements are higher cost than internal foster placements with the average weekly cost of an external fostering placement at approximately £813 per week. However it remains a much more cost effective resource than residential placements which would be the alternative, and also ensures that children can remain in a family environment. Whilst Internal fostering placements are cheaper than external fostering placements, our internal fostering capacity is full. Covid-19 has prevented existing foster carers from taking any new children, while the recruitment of new foster carers which has been a strategy to address the budget pressures in placements has been negatively impacted by Covid-19 with far fewer inquiries from potential new foster carers. Pressures from the court to place children with families also impacts on the team's capacity to undertake fostering assessments because they are undertaking family and connected persons assessments under the direction of the Court. 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 the skills to look after more complex children. This will reduce demand for expensive residential provision. A budget pressure of £0.242m 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. This provision has demonstrated significant impact on reducing the number of fostering placements breaking down, thus preventing higher cost placements whilst ensuring greater stability for our children.

A budget pressure of £1.138m was caused by staffing budget pressures across the rest of Children's Social Care. Some of this pressure has continued from the previous financial year and relates to agency social workers covering social worker posts. 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. We have retained some agency social workers through Covid-19 to maintain our ability to deliver our statutory responsibilities. The service remained focused on recruitment and retention with a dedicated HR worker in post to support with the timely recruitment of social workers. The recruitment campaign for children's services has been continuous and we are engaged with the graduate programmes for social work Step Up. The service appointed 8 social work apprentices in January 2020 and a further 6 started in January 2021. Those staff that are responding to our recruitment campaign tend to be inexperienced ASYE social workers, so 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. Although growth was built into the budget for a number of social workers posts, this growth has been outstripped by increasing demand caused by rising LAC numbers and as a result there are still a small number of agency social workers who are classed as extra capacity albeit fewer than in 2019/20. As with other areas of Children's Social Care, the staffing budget position has been negatively impacted by Covid-19.

There was a £0.049m budget pressure relating to Adoption Services. £0.104m relates to the Joint Adoption Service with Telford & Wrekin Council where there are 2 posts in Post Adoption Support that are over and above the budgeted number of posts and an anticipated budget pressure on intra-agency adoption placements. These 2 posts are critical as part of Shropshire Council's becoming part of a regional adoption agency called Together4Children. The offsetting forecast underspend of £0.044m relates to Special Guardianship Allowances. Growth of £0.280m was built into the budget for 2020/21 and we have continued to see an increase in Special Guardianship Orders issued which mirrors the national trend where there has been a steep increase in the number of SGOs over the past 8 years. These are less costly options than residential or fostering placements and give a child more permanence than a regular fostering arrangement.

There was a one-off pressure of £0.068m 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 reflects an increase in demand for these type of payments and is partly the longer term impact of the temporary closure of the Council's commissioned overnight short breaks provision in 2019.

The remaining £0.186m 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.

Early Help, Partnerships and Commissioning	Portfolio Holder Children's Services	2,298,380	1,897,029	(401,351)	Y
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The outturn position for Early Help was an underspend of £0.401m caused by one-off monitoring savings. £0.094m is the result of in year vacancy management savings either within the Family Hubs structure or the Parenting team. A further £0.242m underspend relates to premises, supplies and services and staff mileage budgets for the six new Family Hubs. Work has commenced to determine if these underspends are ongoing or one-off in terms of the future structure of Early Help, as there is a plan to use these budgets in a different way within the service in the 2021/22 financial year.

In 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. £0.042m underspend relates to the implementation of the new Youth Support staffing structure owing to short delays in recruiting to posts.

There is a net £0.023m underspend across non-staffing budgets across the remainder of Early Help e.g mileage and supplies and services budgets within the Specific Needs Clubs, Family Information Service or NEETs team.

Children's Services Management	Portfolio Holder Children's Services	622,530	602,187	(20,343)	Y
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Minor variance from budget at Outturn

Learning and Skills	Deputy Portfolio Holder Education	17,754,880	17,626,609	(128,271)	Y
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The largest variance to budget relates to home to school transport, with a £0.101m underspend reported against a £12.436m budget. The outturn position reflects one-off monitoring savings but there is an acknowledged and demonstrable trend of increased SEN passenger numbers, while 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 the unit cost per passenger. The introduction of a new Post-19 policy - as approved by Cabinet - has imposed a duty on the Council to make transport arrangements for adult learners aged 19 and over attending educational institutions which has resulted in increased expenditure in this area and 2020/21 will be the first year the full-year financial effect of this increase in duties has impacted. The extent of the impact of Covid-19 on home to school transport budgets is still unknown. Initially while schools were closed for lockdown, the Council continued to pay 100% of school transport contract rates to contractors for continuity and retention purposes. This was subject to strict conditions that providers were available to deliver a full service and not benefiting from the Coronavirus job retention scheme. In the Autumn Term, the Council received a £0.350m grant from the Department for Education for the first half-term to fund the additional costs of Covid-19.

Aside from Home to School transport, there was also an underspend on the School redundancy budget totalling £0.052m. This was due to the 2020/21 financial year not being a typical year for school redundancies due to the Covid-19 situation.

These 2 one-off underspends were offset by some overspends elsewhere in the service area totalling £0.025m.

CORPORATE BUDGETS	Full Year			RAGY
	Budget £	Controllable Outturn £	Controllable Variance £	
Total	(8,881,950)	(13,322,373)	(4,440,423)	Y

Corporate Budgets	Portfolio Holder Finance and Corporate Support	(8,881,950)	(13,322,373)	(4,440,423)	Y
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A saving against budget of (3.180m) has been incurred in relation to MRP, and (£0.575m) of Section 31 grant has been uncommitted in 2020/21 to offset overspends across the Council.

A net underspend of (£0.069m) was incurred on interest receivable, interest payable and other financing arrangements.

Other underspends have been incurred on subscriptions, materials purchase and consultancy budgets, and purchasing rebates have been greater than anticipated.

Business Continuity - Covid 19	Portfolio Holder Finance and Corporate Support	-	-	-	G
No variation from budget at Outturn. Additional expenditure of £11.066m was offset by the application of the unringfenced Covid-19 grant.					

FINANCE, GOVERNANCE & ASSURANCE	Full Year			RAGY
	Budget £	Controllable Outturn £	Controllable Variance £	
Total	2,629,300	2,303,491	(325,809)	Y

Audit Services	Portfolio Holder Finance and Corporate Support	1,000	(72,165)	(73,165)	Y
In year savings of (£0.073m) have been achieved from planned vacancy management and income generation.					
Finance	Portfolio Holder Finance and Corporate Support	352,580	267,855	(84,724)	Y
Increased external and internal income generation of (£0.047m) and a saving on supplies and services budgets of (£0.023m) account for the majority of the underspend in this area.					
Pension Administration Services	Portfolio Holder Finance and Corporate Support	35,410	41,819	6,409	G
Minor variation from budget at Outturn.					
Revenues and Benefits	Portfolio Holder Finance and Corporate Support	2,005,150	2,231,448	226,298	R
The deficit on the Housing Benefit subsidy was £1.301m, however, taking into account underachievement of 'recovery of costs' income, additional DWP grants received and (£1.000m) of unringfenced Covid-19 grant applied to offset additional costs, the net deficit on Housing Benefits was £0.477m. This deficit has been partly offset by an underspend on staff costs of (£0.214m) and by an underspend on supplies and services costs of (£0.038m), largely due to savings made on IT software licences.					
Treasury Services	Portfolio Holder Finance and Corporate Support	1,670	(48,352)	(50,022)	Y
The reimbursement from the Pension Fund for staff costs has been greater than budgeted for.					
Commissioning Development and Procurement	Deputy Portfolio Holder Procurement	168,770	(116,999)	(285,769)	Y
Expenditure on consultancy services was nil, compared with a budget of £0.090m. In addition to this, income from purchasing rebates was greater than budgeted for by (£0.274m).					
Risk Management and Insurance	Portfolio Holder Finance and Corporate Support	64,720	(115)	(64,835)	Y
Both internal recharge income and external grant income have been greater than budgeted for.					

LEGAL AND DEMOCRATIC SERVICES	Full Year			RAGY
	Budget £	Controllable Outturn £	Controllable Variance £	
Total	456,330	614,031	157,701	R

Democratic Services	Portfolio Holder Finance and Corporate Support	1,800	(155,643)	(157,443)	Y
In year savings within Committee Services have been achieved from additional income (£0.035m). Efficiencies against supplies and services, subsistence and travel costs have also been identified across Democratic Services of (£0.122m).					
Elections	Portfolio Holder Finance and Corporate Support	440,300	507,614	67,314	A
Savings of (£0.077m) relating to grant bids for IER (Individual Electoral Registration) were not achieved as originally planned.					
Legal Services	Portfolio Holder Finance and Corporate Support	14,230	260,640	246,410	R
There are unachieved savings targets of £0.050m and increased budget pressures of £0.356m related to legal child-care costs. Overspends have been offset by planned savings from vacancy management of (£0.071m), in year-savings across supplies and services budgets (£0.041m) and additional income (£0.027m).					
Information Management & Governance	Portfolio Holder Finance and Corporate Support		1,420	1,420	G
Minor variation from budget at Outturn.					

PLACE	Full Year			RAGY
	Budget £	Controllable Outturn £	Controllable Variance £	
Total	59,903,900	62,207,652	2,303,752	R

Director of Place	Portfolio Holder Communities, Place Planning and Regulatory Services	607,070	604,071	(2,999)	Y
Minor variation from budget at Outturn.					
Head of Commercial Services	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	145,990	92,155	(53,835)	Y
The saving required from administrative buildings was offset by the Covid-19 grant, leaving an underspend relating to the cost of investment budget that had been earmarked to facilitate the saving being made.					
Corporate Landlord	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	482,360	745,314	262,954	R
£0.069m of this variance relates to unbudgeted ongoing expenditure associated with Shropshire Local. Funding of Shropshire Local will form part of an overall business case/invest to save proposal, but, at present, the development has led to a financial pressure within Corporate Landlord. The further overspend relates to repairs and maintenance of corporate landlord buildings.					
Facilities Management	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	1,580	(474)	(2,054)	Y
Minor variation from budget at Outturn					
Property Services Group	Deputy Leader and Portfolio Holder Assets,	9,270	(25,129)	(34,399)	Y

	Economic Growth and Regeneration				
Income relating to financial year 19/20 has been received within 2020/21 and has resulted in an overachievement of income targets.					
Strategic Asset Management	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	244,690	640,746	396,056	R
There is a budget pressure of £0.100m relating to sustainability investments. The required saving has been achieved, however the saving is being used to repay the Invest to Save loan and so not being seen in revenue figures in 20/21. The budgets anticipated a restructure that would yield £0.073m savings, but this has been delayed and the savings have not been achieved in the current year (although this is offset by in year salary savings within the Commercial Investment Team). There are also unbudgeted staffing costs of £0.060m for One Public Estate, where funding has now ceased, and unbudgeted expenditure on agency staff of £0.035m. The forthcoming restructure across Commercial Services will address these salary pressures in 21/22. Unbudgeted redundancy costs relating to the restructure of £0.131m add to the overspend.					
Commercial Investment Team	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	1,486,570	434,749	(1,051,821)	Y
(£0.371m) has been saved due to a partial recruitment of this new team and the departure of one of the incumbent managers. The upcoming restructure across Commercial Services will reallocate this saving on salary budget in 21/22 across the property management services. The cost of investment budget has not been fully utilised, giving a saving of (£0.558m). This budget was required to fund the cost of investments made in 19/20, however, due to the delays in setting up this team in 19/20, this budget has not been fully required in this financial year. Investments made this year will require this budget in 21/22. An overachievement of the savings target for commercial investment has yielded a further (£0.126m.)					
Climate Change	Portfolio Holder Adult Social Services and Climate Change	400,000	353,858	(46,142)	Y
The underspend is due to the profiling of expenditure. Further expenditure will take place in 2021/22.					
Shire Services	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	(9,010)	(9,010)	-	G
No variation from budget at Outturn.					
Assistant Director of Economy and Place	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	272,830	215,133	(57,697)	Y
A staffing vacancy saving has resulted from the gap between the departure of the previous Assistant Director and the new postholder starting in post.					
Planning Services	Portfolio Holder Communities, Place Planning and Regulatory Services	2,175,790	2,495,472	319,682	R
The more significant variances in this service area have been:- Street Naming and Numbering generated slightly more fee income and funding of (£0.018m), Land Charges income was down by £0.025m, Building Control saw a greater emphasis on enforcement activity at a cost of £0.093m, Natural & Historic income was affected by £0.044m and Development Management had a favourable variance from budget, with net income of (£0.029m). Other variances include:- Design costs and works associated with providing a satisfactory waste water solution for the for a development in Whitchurch, of £0.060m, additional support from consultants for Planning Enforcement cases of £0.072m, and finally, Highways Development Control moved to Planning Services and had cost pressures relating to additional specialist support of £0.035m and a reduction in inspection fee income of £0.043m.					

Economic Growth	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	1,115,460	1,104,809	(10,651)	Y
Minor variation from budget at Outturn					
Broadband	Deputy Portfolio Holder Broadband	166,840	166,840	-	G
No variation from budget at Outturn					
Planning Policy	Portfolio Holder Housing and Strategic Planning	716,320	645,476	(70,844)	Y
The main variances relate to additional grant funding of £0.040m for Neighbourhood Planning activities undertaken, and a grant of £0.026m towards Community Led Housing expenditure.					
Shrewsbury Shopping Centres - Commercial Sites	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	(982,230)	(488,903)	493,327	R
As fundamental changes in the retail sector continue, the shopping centres have been subject to several pressures including changing lease renewal negotiations. These on-going pressures on the budget have created a reduction in rental and service charge income that totals £0.526m. (Losses due to the impact Covid-19 pandemic (£0.611m) are covered by Covid-19 support grants).					
Shrewsbury Shopping Centres - Development Sites	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	531,760	36,186	(495,574)	Y
While the proposals for the redevelopment of the Pride Hill and Riverside Shopping Centres are being reviewed, cost savings have been made in relation to insurance, rates, external support services and MRP budgets.					
Head of Infrastructure	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	196,290	199,892	3,602	G
Minor variation from budget at Outturn					
Environment and Transport	Portfolio Holder Highways and Car Parking	6,731,000	6,374,602	(356,398)	Y
Public Transport:- Covid-19 had a significant impact on Public Transport in 2020/21, with reduced passenger numbers (and income from fares), however any additional expenditure was covered by Government Covid-19 grants. There were some savings associated with the provision of the Voluntary Car Scheme in 2020/21 of (£0.031m), and there was the release of a provision made in 2019/20 of (£0.429m). Street Cleansing and Grounds Maintenance:- There were staffing vacancies and an associated reduction in maintenance expenditure, totalling (£0.188m). Parking:- On-Street and Off-Street parking income was down £3.917m, partly as a result of Covid-19. The lost income is partially offset by Covid-19 support grants of (£3.447m). The long-term financial targets for car parking will be reviewed as new behaviours and the full effects of the parking strategy that was approved become clear. Strategic:- A reduced programme of road safety education due to Covid-19 restrictions resulted in a reduction in expenditure of (£0.091m), and there were recharges to capital schemes of £0.092m.					
Highways	Portfolio Holder Highways and Car Parking	7,845,360	9,142,425	1,297,065	R
Highways (Operations) - The more significant variations include:- additional expenditure of £0.371m as the programme to address gully cleaning has continued into 2020/21 following the flooding events in 2019/20, additional costs on reactive highways repairs of £0.134m, a significant amount of technical and design costs of £0.335m have been incurred to shape the future programme of works for this service area and, finally, a corporate decision not to fully use reserves has reduced the budgeted draw from reserves into this service by £1.000m. The service is reprofiling to identify how expenditure can be brought back to a balanced position in the future within the pressure of developing advanced works programmes. Highways (Bridges, Structures and Drainage) - There were maintenance and engineering supervision savings of (£0.064m) in 2020/21.					

Highways (Streetworks) - Net income for this service area was greater than budget by (£0.842m). Highways (Governance) - There were significant costs in 2020/21 associated with insurance claims and claims handlings; these amounted to £0.380m.					
Waste Management	Portfolio Holder Culture, Leisure, Waste and Communications	30,906,840	31,005,757	98,917	G
In year savings have been made on supplies and services costs within the staff team, there was an underspend on waste sent to landfill of (£0.013m), the communications budget for the PFI contract was not used in full, and income relating to bulky waste collections and second green bins had a favourable variance from budget of (£0.025m).					
Head of Homes and Communities	Portfolio Holder Culture, Leisure, Waste and Communications	(254,960)	93,404	348,364	R
The adverse variances here are made up of unachievable savings as follows:- • £0.100m savings from the HRA • £0.250m savings from review of temporary housing					
Housing Development and HRA	Portfolio Holder Housing and Strategic Planning	(1,025,000)	(1,576)	1,023,424	R
The adverse variance is due to unachievable savings of £1.025m from Cornovii Ltd. The revised business plan for the Company approved by the Council earlier in the year set out that this saving would not be achievable in 20/21.					
Head of Culture, Leisure & Tourism	Portfolio Holder Culture, Leisure, Waste and Communications	176,830	291,290	114,460	R
The overspend in this area is due to the allocation of salary costs of the Head of Culture, Leisure and Tourism. A full review of CL&T areas has identified potential savings and efficiencies throughout the services which it is anticipated will cover these costs in the future.					
Arts	Portfolio Holder Culture, Leisure, Waste and Communications	68,390	73,657	5,267	G
Minor variation from budget at Outturn.					
Shropshire Hills AONB	Portfolio Holder Culture, Leisure, Waste and Communications	34,750	32,050	(2,700)	Y
Minor variation from budget at Outturn.					
Outdoor Partnerships	Portfolio Holder Culture, Leisure, Waste and Communications	1,025,190	1,129,009	103,819	R
This variance is due do an historic £0.050m unachieved saving that is being reviewed within Culture, Leisure and Tourism for 21/22. In addition, there have been additional pressures on staffing expenditure associated with rights of way in the year.					
Leisure	Portfolio Holder Culture, Leisure, Waste and Communications	2,139,500	2,159,726	20,226	G
Minor variation from budget at Outturn.					
Libraries	Portfolio Holder Culture, Leisure, Waste and Communications	3,356,200	3,358,400	2,200	G
Minor variation from budget at Outturn.					
Museums and Archives	Portfolio Holder Culture, Leisure, Waste and Communications	1,306,830	1,306,333	(498)	Y
Minor variation from budget at Outturn.					
Theatre Services	Portfolio Holder Culture, Leisure, Waste and Communications	31,390	31,390	-	G

No variation from budget at Outturn. Covid-19 had a significant impact on the Theatre in 2020/21; gross income was down by £1.871m, which was offset by Covid-19 support grants. The net losses at the Theatre have been minimised as far as possible, with the majority of staff being re-deployed to Covid-19 related activities.

STRATEGIC MANAGEMENT BOARD	Full Year			RAGY
	Budget £	Controllable Outturn £	Controllable Variance £	
Total	4,290	373,290	369,000	R

Chief Executive & PAs	Leader and Portfolio Holder Strategy	4,290	373,290	369,000	R
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Savings of (£0.078m) have been made from planned vacancy management alongside in-year savings across supplies and services (£0.030m). These are partly offsetting one-off staff costs of £0.476m.

WORKFORCE AND TRANSFORMATION	Full Year			RAGY
	Budget £	Controllable Outturn £	Controllable Variance £	
Total	(231,120)	224,008	455,128	R

Customer Services	Portfolio Holder Finance and Corporate Support	569,690	102,839	(466,851)	Y
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Partly due to some staff costs being funded from Covid-19 funding, eg. funding from the NHS for costs incurred in relation to vaccination centres, there has been an underspend on staffing of (£0.142m). There has also been an underspend on supplies and services budgets, mainly relating to IT licences and telephones of (£0.132m). The other significant variation is an underspend on third party payments of (£0.105m).

ICT Digital Transformation Project	Portfolio Holder Organisational Transformation and Digital Infrastructure	(2,141,550)	600,388	2,741,938	R
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Combined savings targets relating to the "single front door", the wider Digital Transformation Programme and potential organisational transformation of £2.787m have not been achieved, offset by savings elsewhere within Workforce and Transformation.

ICT Services	Portfolio Holder Organisational Transformation and Digital Infrastructure	1,214,260	(356,284)	(1,570,544)	Y
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Savings of £0.490m have been delayed, partly due to Covid-19 preventing implementation of changes to contracts as planned. Unachieved savings have been offset by vacancy management and by planned one-off expenditure of £1.101m being funded from capital budgets rather than revenue, creating an in-year revenue saving. In addition, there have been further significant savings made on IT software licences and hardware purchases.

Communications & Engagement	Portfolio Holder Culture, Leisure, Waste and Communications	9,800	(24,265)	(34,065)	Y
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Unachieved income of £0.034m and in year pressures relating to supplies and services of £0.013m have been offset by vacancy management savings (£0.081m).

Information, Intelligence and Insight	Portfolio Holder Organisational Transformation and Digital Infrastructure	8,190	(130,403)	(138,593)	Y
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Anticipated in-year savings relating to vacancy management (£0.097m) and unexpected income (£0.036m) have been offset against slightly by increased supplies and services costs.

Human Resources and Organisational Development	Portfolio Holder Finance and Corporate Support	108,490	31,733	(76,757)	Y
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Unachieved savings of £0.055m, increased supplies and services costs of £0.025m and lost income of £0.066m across Health and Safety and Occupational Health training are being offset by identified savings of (£0.210m) from a combination of vacancy management, supplies and services budgets and additional income within Human Resources.

Appendix 2 – Unachieved Savings 2020/21

Reference	Directorate	Service Area	Description	2020/21 Saving Required (£'000)	Value Rated Red (£'000)	Impact of Covid-19 on Red Savings (£'000)
2A37R	Adult Services	Housing Services	Increased Housing Income	150	132	120
A26	Adult Services	Provider Services	Remodel day services offer	97	64	32
2A38R	Adult Services	Housing Services	Utilisation of HRA monies to fund temp accommodation properties	172	172	0
2A46R	Adult Services	Regulatory Services	Regulatory Services, Trading Standards and Licensing review leading to redesign of delivery model, structures and an increased focus on income generation. Opportunities include; increased alignment to the CSC and an increased digital presence.	200	175	175
2A46R	Adult Services	Trading Standards and Licensing	Regulatory Services, Trading Standards and Licensing review leading to redesign of delivery model, structures and an increased focus on income generation. Opportunities include; increased alignment to the CSC and an increased digital presence.	200	175	175
H16	Adult Services	Trading Standards and Licensing	Increase parking enforcement functions in line with the parking strategy	100	100	100

H24	Adult Services	Ring Fenced Public Health Services	Reclaim of funds from out of area for sexual health services (Wales)	50	50	0
2A03	Adult Services	Housing Services	External income generation	100	100	100
2A17	Adult Services	Housing Services	DFG Fees interest	100	83	50
2A18	Adult Services	Housing Services	Reclaim of HRA monies	80	80	0
2A20	Adult Services	Ring Fenced Public Health Services	Redesign of integrated sexual health services	100	100	0
2A22	Adult Services	Ring Fenced Public Health Services	Out of Hours Cover	25	25	0
2A29	Adult Services	Registrars and Coroners	Registrars and Coroners income and reserve savings	30	30	20
2A30	Adult Services	Trading Standards and Licensing	Increase parking enforcement functions in line with the parking strategy	50	50	50
2P02	Adult Services	Housing Services	New model for temporary housing	250	250	250
2A15	Adult Services	Adult Services Management	PFI Contract Savings	200	200	0
P41	Children's Services	Children's Services Management	Negotiate contract savings upon renewal, through better contract management	7	7	7
2C03	Children's Services	Children's Social Care and Safeguarding	North Yorks - No children in residential care model	2,000	2,000	2,000
2C10	Children's Services	Children's Social Care and Safeguarding	Reduction in use of agency workers	150	44	0
2F01	Corporate Budgets	Corporate Budgets	Insurance premiums and recharges	163	51	0
2LD04	Legal and Democratic Services	Legal Services	New Children's Lawyer	50	50	0
2LD07	Legal and Democratic Services	Elections	JLB Bid Funding	77	77	0

P11	Place	Libraries	Review of library provision	74	9	9
P41	Place	Director of Place	Negotiate contract savings upon renewal, through better contract management	92	92	92
P65	Place	Shrewsbury Shopping Centres - Development Sites	Income generation from investment in assets	320	320	320
P05	Place	Head of Commercial Services	Review of car parking at administrative sites	96	96	96
2P03	Place	Environment and Transport	Support package for Operation of Park and Ride	200	200	200
2P05	Place	Head of Homes and Communities	HRA cost recovery	100	100	0
2P02	Place	Head of Homes and Communities	New model for temporary housing	250	250	0
2P210	Place	Highways	LED Street Lighting	200	200	0
2WT06	Workforce and Transformation	ICT Services	PCI, SIP trunking and Telephony	200	9	9
2WT10	Workforce and Transformation	ICT Services	Room booking system - Lower cost of external room bookings	20	20	0
2WT11	Workforce and Transformation	Human Resources and Organisational Development	Training – Move to e-learning	60	60	0
2WT12	Workforce and Transformation	Human Resources and Organisational Development	Review of First Line HR Contacts	25	25	0
2WT13	Workforce and Transformation	ICT Services	Mobile Phone Contract Reduction	40	40	20
2WT14	Workforce and Transformation	Human Resources and Organisational Development	Re-working ICT approvals process	30	30	0
2WT17	Workforce and Transformation	Human Resources and Organisational Development	Migration of External Payrolls to BW ERP	5	5	0
2WT20	Workforce and Transformation	ICT Services	Contract reductions from IT infrastructure replacement	283	283	0

2WT21	Workforce and Transformation	ICT Services	WAN contract reductions	103	103	103
2WT23	Workforce and Transformation	ICT Digital Transformation Project	Lean review of Shropshire Council structures and processes linked to transformation, single front door and digital enabling technologies	1,181	1,181	0
TOTAL				7,630	7,040	3,929

Appendix 3 – Unachieved savings to be carried forward for delivery in 2021/22

Directorate	Reference	Description	Value Unachieved and Carried Forward into 2021/22 (£'000)
Children's Services	2C03	Stepping Stones Project Implementation (Recognised nationally as the North Yorks - No children in residential care model.)	2,000
Workforce and Transformation	2WT23	Lean review of Shropshire Council structures and processes linked to transformation, single front door and digital enabling technologies	1,181
Adult Services	2A15/2P02	Additional CHC funding	450
Adult Services	2A38R/2A18	Review of block contracting arrangements	252
Place	2P03	Support Package for Operation of Park and Ride	200
Place	2P210	LED Street Lighting	200
Adult Services	2A46R	Regulatory Services, Trading Standards and Licensing review leading to redesign of delivery model, structures and an increased focus on income generation. Opportunities include; increased alignment to the CSC and an increased digital presence.	175
Adult Services	2A46R	Regulatory Services, Trading Standards and Licensing review leading to redesign of delivery model, structures and an increased focus on income generation. Opportunities include; increased alignment to the CSC and an increased digital presence.	175
Adult Services	2A20	Review of ring-fenced Public Health services	150
Workforce and Transformation	2WT20	Contract reductions from IT infrastructure replacement	141
Adult Services	2A37R	Increased Housing Income	132
Workforce and Transformation	2WT21	WAN contract reductions	103
Adult Services	H16	Increase parking enforcement functions in line with the parking strategy	100
Adult Services	2A03	External income generation	100
Place	P41	Negotiate Contract Savings Upon Renewal through Better Contract Management	92
Adult Services	A26	Remodel day services offer	64
Adult Services	2A17	DFG fees interest	50
Workforce and Transformation	2WT11	Training – Move to e-learning	60
Adult Services	2A30	Increase parking enforcement functions in line with the parking strategy	50
Children's Services	2C10	Reduction in use of agency workers	44
Workforce and Transformation	2WT13	Mobile phone contract reduction	40
Adult Services	2A27	Registrars and Coroners income and reserve savings	30
Workforce and Transformation	2WT14	Re-working ICT approvals process	30
Adult Services	2A22	Out of Hours cover	25
Workforce and Transformation	2WT12	Review of first line HR contacts	25

Workforce and Transformation	2WT10	Room booking system - Lower cost of external room bookings	20
Place	P11	Review of Library Provision	9
Workforce and Transformation	2WT06	PCI, SIP trunking and telephony	9
Children's Services	P41	Negotiate contract savings upon renewal, through better contract management	7
Workforce and Transformation	2WT17	Migration of external payrolls to BW ERP	5
Total			5,954

Appendix 4 – Ongoing Services Pressures 2020/21

Service / Description	Nature of Ongoing Monitoring Pressure	Value (£)
Housing - Temporary Accommodation	Demography	724,177
Public Health - Out of Hours Call Service	Planned service reduction not delivered	24,800
Shrewsbury Training and Development Centre	Reduced income	23,730
Children's Social Care Placements	Demography and staff budget	47,950
Children's Social Care Agency Costs	Staff budget	107,000
Housing Benefits	Housing Benefit Subsidy loss	438,905
Shire Services	Historic unachieved savings	401,000
Strategic Asset Management	Historic unachieved savings	100,000
Director of Place	Historic unachieved savings	63,970
Environment and Transport	Historic unachieved savings	952,000
Outdoor Partnerships	Historic unachieved savings	50,000
Libraries	Historic unachieved savings	98,000
Head of Culture, Leisure and Tourism	Staff budget	111,064
Shrewsbury Shopping Centres	Reduced rental income and increased costs	270,000
DTP - Transformation Savings	Historic unachieved saving	1,116,000
DTP - Single Front Door / Face to Face Review	Historic unachieved saving	490,000
		5,018,596

Appendix 5 - Reconciliation of Monitoring Projections to Savings Delivery

	Outturn Position	Savings Pressure in 2020/21	Ongoing Monitoring Pressures Identified	Ongoing Monitoring Savings Identified	One Off Monitoring Pressures Identified	One Off Monitoring Savings Identified	TOTAL
	£000	£000	£000	£000	£000	£000	£000
Adult Services							
Adult Services Business							
Support and Development	(304)				218	(522)	(304)
Adult Services Management	100	200				(100)	100
Provider Services	(163)	64			229	(456)	(163)
Housing Services	524	818	724		95	(1,113)	524
Social Care Operations	(1,045)				471	(1,516)	(1,045)
Bereavement Services	5				5		5
Regulatory Services	(582)	175				(757)	(582)
Trading Standards and Licensing	(327)	325			149	(801)	(327)
Registrars and Coroners	(10)	30			311	(351)	(10)
Non Ring Fenced Public Health Services	(69)				7	(76)	(69)
Ring Fenced Public Health Services	0	175	25		451	(651)	0
	(1,871)	1,787	749	0	1,936	(6,343)	(1,871)
Central DSG							
Central DSG	0				1,050	(1,050)	0
	0	0	0	0	1,050	(1,050)	0
Children's Services							
Children's Social Care and Safeguarding	3,246	2,044	155		3,215	(2,168)	3,246
Early Help, Partnerships and Commissioning	(401)			(111)	4	(295)	(402)
Children's Services Management	(20)	7			1	(28)	(20)
Learning and Skills	(128)		24		229	(381)	(128)
	2,696	2,051	179	(111)	3,449	(2,872)	2,696
Corporate Budgets							
Corporate Budgets	(4,440)	51			553	(5,044)	(4,441)
Business Continuity - Covid 19	0				11,066	(11,066)	0
	(4,440)	51	0	0	11,619	(16,110)	(4,441)
Finance, Governance and Assurance							
Audit Services	(73)					(73)	(73)
Finance	(85)					(85)	(85)

Pension Administration Services	6				6		6
Revenues and Benefits	226		439			(213)	226
Treasury Services	(50)					(50)	(50)
Commissioning Development and Procurement	(286)					(286)	(286)
Risk Management and Insurance	(65)					(65)	(65)
	(326)	0	439	0	6	(772)	(327)
Legal and Democratic Services							
Democratic Services	(157)				4	(161)	(157)
Elections	67	77			13	(22)	68
Legal Services	246	50			277	(81)	246
Information Management and Governance	1				1		1
	158	127	0	0	295	(264)	158
Place							
Director of Place	(3)	92	64			(159)	(3)
Head of Commercial Services	(54)	96				(150)	(54)
Corporate Landlord	263				711	(448)	263
Facilities Management	(2)					(2)	(2)
Property Services	(34)				458	(492)	(34)
Strategic Asset Management	396		100		296		396
Commercial Investment Team	(1,052)					(1,052)	(1,052)
Climate Change	(46)					(46)	(46)
Shire Services	0		401		970	(1,371)	0
Head of Economic Growth	(58)					(58)	(58)
Planning Services	320				320		320
Economic Growth	(11)				912	(922)	(11)
Broadband	0				94	(94)	0
Planning Policy	(71)				333	(404)	(71)
Shrewsbury Shopping Centres - Development Sites	(496)	320			104	(919)	(495)
Shrewsbury Shopping Centres - Commercial Sites	493		270		834	(611)	493
Head of Infrastructure	4				4		4
Highways	1,297	200			1,097		1,297
Environment and Transport	(356)	200	952		3,917	(5,425)	(356)
Waste Management	99				481	(382)	99
Head of Homes and Communities	348	350				(2)	348
Housing Development and HRA	1,023				1,025	(2)	1,023
Head of Culture, Leisure and Tourism	114		111		3		114

Arts	5				5		5
Shropshire Hills AONB	(3)					(3)	(3)
Outdoor Partnerships	104		50		184	(130)	104
Leisure	20				562	(542)	20
Libraries	2	9	98		39	(144)	2
Museums and Archives	(0)				135	(135)	(0)
Theatre Services	0				1,779	(1,779)	(0)
	2,304	1,268	2,046	0	14,260	(15,270)	2,304
Strategic Management Board							
Strategic Management Board	369				518	(149)	369
	369	0	0	0	518	(149)	369
Workforce and Transformation							
Customer Services	(467)					(467)	(467)
ICT Digital Transformation Project	2,742	1,181	1,606			(45)	2,742
ICT Services	(1,571)	455			270	(2,295)	(1,570)
Communications	(34)				56	(90)	(34)
Information, Intelligence and Insight	(139)				22	(161)	(139)
Human Resources and Organisational Development	(77)	120			642	(839)	(77)
	455	1,756	1,606	0	990	(3,897)	455
TOTAL	(655)	7,040	5,019	(111)	34,123	(46,727)	(657)

Housing Revenue Account 2020/21

As at March 2021	Original Budget £	Outturn £	Variance Adverse/ (Favourable) £
<u>Income</u>			
Dwellings Rent	(17,323,050)	(17,395,867)	(72,817)
Garage Rent	(105,490)	(109,683)	(4,193)
Other Income	(17,000)	(4,385)	12,616
Charges for Services	(641,000)	(909,300)	(268,300)
Total Income	(18,086,540)	(18,419,234)	(332,694)
<u>Expenditure</u>			
ALMO Management Fee	8,466,650	8,506,438	39,788
Supplies and Services	571,380	607,454	36,074
Capital Charges - Dwelling			
Depreciation	3,780,100	3,910,780	130,680
Capital Charges - Depreciation Other	172,020	185,280	13,260
Interest Paid	2,991,960	2,988,342	(3,618)
Repairs charged to revenue	500,000	339,407	(160,593)
Revenue Financing Capital			
Expenditure	3,699,100	360,537	(3,338,563)
New development feasibility	150,000	138,937	(11,063)
Increase in Bad Debt Provision	50,000	25,000	(25,000)
Corporate & Democratic Core	168,500	237,923	69,423
Total Expenditure	20,549,710	17,300,097	(3,249,613)
Net Cost of Services	2,463,170	(1,119,137)	(3,582,307)
Interest Received	(30,000)	(81,567)	(51,567)
Net Operating Expenditure	2,433,170	(1,200,704)	(3,633,874)
Net Cost of Service/(Surplus) for Year	2,433,170	(1,200,704)	(3,633,874)
<u>HRA Reserve</u>			
B/fwd 1 April	10,140,313	10,140,313	
Surplus/(Deficit) for year	(2,433,170)	1,200,704	
Carried Forward 31 March	7,707,143	11,341,017	

Earmarked Reserves for the HRA

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2020/21 (£'000)	Income in 2020/21 (£'000)	Balance Carried Forward (£'000)
HRA Earmarked Reserves					
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	4,492	2,638	4.096	5,950
Total		4,492	2,638	4.096	5,950

Amendments to Original Budget 2020/21

£000	Total	Adult Services	Children's Services	Corporate Budgets	Finance, Governance and Assurance	Legal and Democratic Services	Place	Strategic Management Board	Workforce and Transformation
Original Budget as Agreed by Council	225,522	118,755	52,873	(5,514)	2,245	440	57,302	(0)	(579)
Quarter 1									
Correction of budget setting error	0	(141)		141					
Q1 Revised Budget	225,522	118,615	52,873	(5,373)	2,245	440	57,302	(0)	(579)
Quarter 2									
Structure change (not virement): Movement of Safer Community Co-ordination from Public Health to Customer Services	0	(254)							254
Reallocation of contract management savings (ref P41) as per Commissioning and Assurance Board	0	51	40		(55)		(28)		(7)
Transfer of non-controllable fleet transport budgets, following transfer of controllable budgets at budget setting	0	(4)					4		
Creation of climate change budget	0			(400)			400		
Correction of salary budgets as a result of 2.75% pay award	0	170	103	(585)	50	14	158	5	86
Q2 Revised Budget	225,522	118,579	53,015	(6,358)	2,240	454	57,835	4	(247)
Quarter 3									
None									
Q3 Revised Budget	225,522	118,579	53,015	(6,358)	2,240	454	57,835	4	(247)
Quarter 4									

Removal of the budgeted draw from the Invest to Save reserve into Shrewsbury Shopping Centres due to changing redevelopment plans	0			(1,700)			1,700		
Transfer of 2020/21 and historic savings budgets relating to treasury management and insurance				(383)	383				
Correction of Apprenticeship Levy budgets	0	31	15	(77)	7	3	5		16
Transfer of historic grey fleet savings budget, to be allocated in 21/22 as part of Refocus programme	0			(364)			364		
Q4 Revised Budget	225,522	118,610	53,030	(8,882)	2,629	457	59,904	4	(231)

Reserves and Provisions 2020/21

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2020/21 (£'000)	Income in 2020/21 (£'000)	Balance Carried Forward (£'000)
Reserves						
Sums set aside for major schemes, such as capital developments, or to fund major reorganisation						
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	21	-21	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.	5,293	0	-1,082	592	4,803

Development Reserve	Required to fund development projects or training that will deliver efficiency savings.	7,243	-21	-1,140	2,513	8,595
Invest to save Reserve	Required to fund invest to save projects in order to deliver the service transformation programme.	3,590	0	-909	1,425	4,107
		16,126	0	-3,152	4,531	17,505
Insurance Reserves						
Fire Liability	Required to meet the cost of excesses on all council properties.	2,553	0	-326	253	2,480
Motor Insurance	An internally operated self-insurance reserve to meet costs not covered by the Council's Motor Insurance Policy.	1,211	0	-51	100	1,259
		3,764	0	-377	353	3,739
Reserves of trading and business units						
Shire Catering and Cleaning Efficiency	Built up from trading surpluses to invest in new initiatives, to meet exceptional unbudgeted costs or cover any trading deficits.	0	0	-197	197	0

		0	0	-197	197	0
Reserves retained for service departmental use						
Building Control	Required to manage the position regarding building control charges.	428	0	0	53	481
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.	1,969	0	-588	995	2,377
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.	1,785	0	-183	535	2,136
Financial Strategy Reserve	Established specifically to provide one off funding for savings proposals in the Financial Strategy	20,802	0	-300	97	20,599
COVID Government Funding Reserve	Established to hold funds advanced by Government to respond to the COVID 19 pandemic which require to be applied in future years	0	0	0	23,093	23,093
Savings Management - Highways	Established specifically to provide one off funding for highways savings proposals in the Financial Strategy	1,907	-895	-4,000	7,990	5,002
Highways Development & Innovation Fund	Set aside funds for pump priming the Development and Innovation programme.	719	0	-119	300	900

New Homes Bonus	Established from unapplied New Homes Bonus Grant balances.	2,254	0	-8,814	8,438	1,878
Public Health Reserve	This reserve includes balances committed to specific public health projects.	88	0	-31	720	777
Repairs & Maintenance Reserve	Set aside for known repairs and maintenance required to Council owned properties.	0	0	0	0	0
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.	344	0	-92	132	384
Revenue Commitments from Unringfenced Revenue Grants	Established from unapplied unringfenced Grant balances. Commitments have been made against these balances in 2019/20.	10,434	0	-8,915	1,244	2,763

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.	2,859	895	-497	492	3,750
TMO Vehicle Replacement	Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.	170	0	-300	210	80
		43,909	0	-23,838	44,299	64,369
School Balances						
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.	1,891	2,247	-4,982	6,838	5,995

Education – Staff Sickness Insurance	Schools' self-help insurance for staff sickness with premiums met from delegated budgets.	0	0	0	0	0
Education – Theft Insurance	Schools' self-help insurance scheme to cover equipment damage and losses.	2	0	-2	0	0
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.	2,301	0	-434	183	2,050
		4,194	2,247	-5,418	7,021	8,045
Total Reserves		67,993	2,247	-32,982	56,400	93,658

Provisions						
Provisions - Short Term						
Accumulated Absences Account	Provision to cover potential future payments of employee benefits not taken as at the end of the year. This is required under IFRS accounting regulations.	2,328	0	-2,328	3,026	3,026
Other Provisions - Short Term	Includes a number of small provisions including Environmental Maintenance contract commitments and Shopping Centre rental payments	1,248	0	-652	170	766
Provisions - Long Term						
Other Provisions - Long Term	Includes a number of small provisions including S106 Accrued Interest, profit share agreements and Shopping Centre rental payments.	297	0	-224	0	73

Liability Insurance	Provision to meet the estimated actuarial valuation of claims for public liability and employers' liability	4,213	0	-1,040	604	3,777
NDR Appeals	Represents the Council's share of the provision held for successful appeals against business rates.	6,389	0	-3,173	1,403	4,619
Council Tax Bad Debt	Held for potential write offs of Council tax debtor balances.	6,056	0	-484	1,763	7,335
NNDR Bad Debt	Held for potential write offs of NNDR debtor balances.	1,168	0	1	363	1,531
Tenancy Deposit Clawbacks	This represents deposits held for the economic development workshops that may be repaid at some point in the future.	179	0	-24	48	204
General Fund Bad Debts	Held for potential write offs of debtor balances for General Fund Services including Housing Benefits.	5,969	0	-1,033	2,012	6,976

HRA Bad Debts	Held for potential write offs of debtor balances for Housing Revenue Account rents and other debtor balances.	391	0	-25	25	391
Total Provisions		28,239	0	-8,983	9,413	28,697

Total Reserves & Provisions		96,233	2,247	-41,965	65,813	122,355
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HRA Earmarked Reserves						
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	4,492	0	-2,638	4,096	5,950
		4,492	0	-2,638	4,096	5,950

Shropshire Council - Capital Programme 2020/21 - 2023/24
Capital Programme Summary - Outturn 2020/21

Appendix 9

Directorate	Revised Budget Q3 2020/21 £	Budget Virements Q4 £	Revised Budget Q4 2020/21 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2021/22 Revised Budget £	2022/23 Revised Budget £	2023/24 Revised Budget £
General Fund											
Adult Services	2,639,896	(38,693)	2,601,203	2,447,187	154,016	94.08%	2,601,203	0	13,501,978	3,512,500	-
Children's Services	8,201,986	(1,026,085)	7,175,901	4,429,566	2,746,335	61.73%	7,175,901	0	23,296,294	5,500,000	-
Place	55,205,030	(3,193,434)	52,011,596	53,864,086	(1,852,490)	103.56%	52,011,596	0	98,583,292	86,803,378	1,069,543
Workforce & Transformation	1,394,900	(750,000)	644,900	450,995	193,905	69.93%	644,900	0	1,750,000	-	-
Total General Fund	67,441,812	(5,008,212)	62,433,600	61,191,834	1,241,766	98.01%	62,433,600	0	137,131,564	95,815,878	1,069,543
Housing Revenue Account	5,936,447	196,401	6,132,848	4,547,019	1,585,829	74.14%	6,132,848	0	20,298,353	19,828,300	14,000,000
Total Approved Budget	73,378,259	(4,811,811)	68,566,448	65,738,853	2,827,595	95.88%	68,566,448	0	157,429,917	115,644,178	15,069,543

Shropshire Council - Capital Programme Portfolio Holder Summary Outturn 2020/21

Portfolio Holder	Revised Budget Q3 2020/21 £	Budget Virements Q4 £	Revised Budget Q4 2020/21 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2021/22 Revised Budget £	2022/23 Revised Budget £	2023/24 Revised Budget £
General Fund											
Adult Social Services and Climate Change	2,372,769	(38,693)	2,584,076	2,447,187	136,889	94.70%	2,584,076	0	13,351,978	3,512,500	0
Assets, Economic Growth and Regeneration	16,561,058	(2,107,886)	14,453,172	17,015,657	-2,562,485	117.73%	14,453,172	0	45,210,503	32,940,753	1,069,543
Broadband	2,939,837	(1,135,000)	1,804,837	1,411,700	393,137	78.22%	1,804,837	0	8,841,286	0	0
Children's Services	322,462	0	322,462	230,765	91,697	71.56%	322,462	0	860,450	0	0
Communities, Place Planning and Regulatory Services	425,764	23,182	198,946	178,395	20,551	89.67%	198,946	0	200,352	0	0
Education	7,879,524	(1,026,085)	6,853,439	4,198,801	2,654,638	61.27%	6,853,439	0	22,435,844	5,500,000	0
Highways and Car Parking	35,010,205	56,270	35,066,475	34,779,868	286,607	99.18%	35,066,475	0	39,264,509	53,862,625	0
Housing and Strategic Planning (General Fund)	479,830	4,000	483,830	460,806	23,024	95.24%	483,830	0	4,857,642	0	0
Leisure, Waste and Communications	55,463	(34,000)	21,463	17,660	3,803	82.28%	21,463	0	359,000	0	0
Transformation and Digital Infrastructure	1,394,900	(750,000)	644,900	450,995	193,905	69.93%	644,900	0	1,750,000	0	0
Total General Fund	67,441,812	(5,008,212)	62,433,600	61,191,834	1,241,766	98.01%	62,433,600	0	137,131,564	95,815,878	1,069,543
Housing Revenue Account											
Housing and Strategic Planning (HRA)	5,936,447	196,401	6,132,848	4,547,019	1,585,829	74.14%	6,132,848	0	20,298,353	19,828,300	14,000,000
Total Approved Budget	73,378,259	(4,811,811)	68,566,448	65,738,853	2,827,595	95.88%	68,566,448	0	157,429,917	115,644,178	15,069,543

Shropshire Council - Capital Budget Outturn Report 2020/21

Directorate Service Area	Revised Budget Q3 2020/21 £	Budget Virements Q4 £	Revised Budget Q4 2020/21 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2021/22 Revised Budget £	2022/23 Revised Budget £	2023/24 Revised Budget £
General Fund											
Adult Services	2,639,896	(38,693)	2,601,203	2,447,187	154,016	94.08%	2,601,203	0	13,501,978	3,512,500	0
Contracts & Provider Capital	0	0	0	0	0	0.00%	0	0	0	0	0
Housing Services Capital	1,417,520	11,307	1,428,827	1,454,244	-25,417	101.78%	1,428,827	0	9,719,478	3,200,000	0
Public Health Capital	0	0	0	0	0	0.00%	0	0	0	0	0
Public Protection Capital	17,127	0	17,127	0	17,127	0.00%	17,127	0	150,000	0	0
Social Care Operations Capital	1,205,249	(50,000)	1,155,249	992,943	162,306	85.95%	1,155,249	0	3,632,500	312,500	0
Children's Services	8,201,986	(1,026,085)	7,175,901	4,429,566	2,746,335	61.73%	7,175,901	0	23,296,294	5,500,000	0
Children's Residential Care Capital	322,462	0	322,462	230,765	91,697	71.56%	322,462	0	860,450	0	0
Non Maintained Schools Capital	1,305,878	(689,076)	616,802	78,283	538,519	12.69%	616,802	0	7,796,924	0	0
Primary School Capital	5,953,299	(64,850)	5,888,449	3,743,546	2,144,903	63.57%	5,888,449	0	4,491,615	5,000,000	0
Secondary School Capital	809,217	(56,596)	752,621	301,989	450,632	40.12%	752,621	0	2,000,000	0	0
Special Schools Capital	119,402	(2,180)	117,222	74,983	42,239	63.97%	117,222	0	27,250	0	0
Unallocated School Capital	-308,272	(213,383)	-521,655	0	-521,655	0.00%	-521,655	0	8,120,055	500,000	0
Place Capital - Commercial Services	10,297,733	(2,160,696)	8,137,037	6,877,173	1,259,864	84.52%	8,137,037	0	37,333,136	30,000,000	0
Corporate Landlord Capital	10,297,733	(2,160,696)	8,137,037	6,877,173	1,259,864	84.52%	8,137,037	0	37,333,136	30,000,000	0
Place Capital - Economic Growth	9,841,629	(1,055,008)	8,786,621	12,189,385	-3,402,764	138.73%	8,786,621	0	21,626,647	2,940,753	1,069,543
Broadband Capital	2,939,837	(1,135,000)	1,804,837	1,411,700	393,137	78.22%	1,804,837	0	8,841,286	0	0
Development Management Capital	158,637	23,182	181,819	178,395	3,424	98.12%	181,819	0	50,352	0	0
Economic Growth Capital	6,263,325	52,810	6,316,135	10,138,484	-3,822,349	160.52%	6,316,135	0	7,877,367	2,940,753	1,069,543
Planning Policy Capital	479,830	4,000	483,830	460,806	23,024	95.24%	483,830	0	4,857,642	0	0
Place Capital - Homes & Communities	55,463	(34,000)	21,463	17,660	3,803	82.28%	21,463	0	34,000	0	0
Leisure Capital	55,463	(34,000)	21,463	17,660	3,803	82.28%	21,463	0	34,000	0	0
Outdoor Partnerships Capital	0	0	0	0	0	0.00%	0	0	0	0	0
Visitor Economy Capital	0	0	0	0	0	0.00%	0	0	0	0	0
Place Capital - Infrastructure	35,010,205	56,270	35,066,475	34,779,868	286,607	99.18%	35,066,475	0	39,589,509	53,862,625	0
Environment & Transport Capital	0	0	0	0	0	0.00%	0	0	0	0	0
Highways Capital	35,010,205	56,270	35,066,475	34,779,868	286,607	99.18%	35,066,475	0	39,264,509	53,862,625	0
Waste Capital	0	0	0	0	0	0.00%	0	0	325,000	0	0
Workforce & Transformation	1,394,900	(750,000)	644,900	450,995	193,905	69.93%	644,900	0	1,750,000	0	0
ICT Digital Transformation - CRM Capital	456,695	(300,000)	156,695	73,350	83,345	46.81%	156,695	0	300,000	0	0
ICT Digital Transformation - ERP Capital	336,210	0	336,210	285,339	50,871	84.87%	336,210	0	0	0	0
ICT Digital Transformation - Infrastructure & Archit	66,012	0	66,012	2,486	63,526	3.77%	66,012	0	0	0	0
ICT Digital Transformation - Social Care Capital	185,217	(100,000)	85,217	89,819	-4,602	105.40%	85,217	0	100,000	0	0
ICT Digital Transformation - Unallocated Capital	350,766	(350,000)	766	0	766	0.00%	766	0	1,350,000	0	0
Total General Fund	67,441,812	(5,008,212)	62,433,600	61,191,834	1,241,766	98.01%	62,433,600	0	137,131,564	95,815,878	1,069,543
Housing Revenue Account	5,936,447	196,401	6,132,848	4,547,019	1,585,829	74.14%	6,132,848	0	20,298,353	19,828,300	14,000,000
HRA Dwellings Capital	5,936,447	196,401	6,132,848	4,547,019	1,585,829	74.14%	6,132,848	0	20,298,353	19,828,300	14,000,000
Total Approved Budget	73,378,259	(4,811,811)	68,566,448	65,738,853	2,827,595	95.88%	68,566,448	0	157,429,917	115,644,178	15,069,543

Shropshire Council - Capital Programme 2020/21- 2023/24

Financing	Revised Budget Q3 2020/21	Budget Virements Q4	Revised Budget Q4 2020/21	2021/22 Revised Budget	2022/23 Revised Budget	2023/24 Revised Budget
	£	£	£	£	£	£
Self Financed Prudential Borrowing	4,573,404	(551,426)	4,021,978	48,441,636	41,444,705	10,798,452
Government Grants						
Department for Transport	30,747,754	702,000	31,449,754	26,434,289	53,862,625	-
- Rapid Electric Vehicle Charging Points Grant	11,386	-	11,386	-	-	-
Ministry of Housing, Communities & Local Gov						
- Land Release Fund	280,343	-	280,343	-	-	-
- Housing Infrastructure Fund	578,792	-	578,792	6,405,669	1,312,187	-
Department for Health - Better Care Fund	1,588,047	(50,000)	1,538,047	6,797,449	3,200,000	-
Department for Health - HOLD Grant	71,962	-	71,962	1,900,000	-	-
Department for Education						
- Condition Capital Grant	2,212,699	(854,553)	1,358,146	1,873,968	500,000	-
- Basic Need Capital Grant	564,000	-	564,000	6,253,160	-	-
- Devolved Formula Capital	669,413	(51,643)	617,770	702,285	-	-
- Special Provision Funds	231,104	(146,750)	84,354	596,750	-	-
- Healthy Pupils Capital Grant	6,606	-	6,606	7,000	-	-
- Full Fibre Broadband	290,872	-	290,872	-	-	-
Department for Communities and Local Government						
- Community Housing Fund	70,000	-	70,000	191,296	-	-
Disabled Facilities Grant (Additional)	-	-	-	-	-	-
Education Funding Agency						
- Early Years Capital Fund	-	-	-	155,474	-	-
HCA - Travellers	-	-	-	-	-	-
HCA - New Build	320,000	(320,000)	-	3,000,000	3,000,000	3,000,000
BDUK - Broadband	667,633	-	667,633	-	-	-
Environment Agency	462,146	-	462,146	135,073	-	-
DEFRA	50,000	-	50,000	950,000	-	-
Local Enterprise Partnership (LEP) Fund	8,491,073	(733,577)	7,757,496	-	-	-
	47,313,829	(1,454,523)	45,859,306	55,402,413	61,874,812	3,000,000
Other Grants						
Historic England/English Heritage	-	5,034	5,034	46,000	-	-
Natural England	-	-	-	-	-	-
Other Grants	460,958	(180,001)	280,957	180,000	437,899	271,091
	460,958	(174,967)	285,991	226,000	437,899	271,091
Other Contributions						
Section 106	2,903,056	191,320	3,094,376	12,613,533	-	-
Community Infrastructure Levy (CIL)	4,749,799	(210,785)	4,539,014	7,935,215	58,462	-
Other Contributions	200,430	20,342	220,772	5,716,197	-	-
	7,853,285	877	7,854,162	26,264,945	58,462	-
Revenue Contributions to Capital	1,399,243	(132,070)	1,267,173	4,438,667	3,048,200	1,000,000
Major Repairs Allowance	3,451,772	-	3,451,772	3,780,100	3,780,100	-
Corporate Resources (expectation - Capital Receipts only)	8,325,768	(2,499,703)	5,826,065	18,876,156	5,000,000	-
Total Confirmed Funding	73,378,258	(4,811,812)	68,566,447	157,429,917	115,644,178	15,069,543

Funding Changes - Quarter 4

Budget Increase/Decrease	2020/21	2021/22	2022/23	2023/24	Details
Self Financed Prudential Borrowing	(551,426)	2,786,682	312,500		Budget increase to cover additional expenditure in 2020/21 in relation to the acquisition of a site in Oswestry.
Government Grants					
Highways Maintenance		12,000			New grant award for 2021/22 in relation to the ITP Programme.
HCA New Build	(320,000)				Removal of expected HCA grant.
DfC	(47,738)				Removal of DfC grant as a result of school academy conversions.
Environment Agency		80,000			New 2021/22 Environment Agency allocation for flood and water management schemes (Shifnal £60,000 and Oswestry £20,000).
DFG		432,142			New grant award of £432,142 in 2021/22.
LEP	(733,577)				Budget removal of £733,577 due to completion of The Tannery scheme.
Total Government Grants	(1,191,315)				
Section 106	191,320	72,670			Budget increase of £24,540 to cover spend on various ITP schemes (ITP South - Curriers Lane; Shifnal - School Safety Zone (20mph) (E560), ITP Central - Belvidere Road, Shrewsbury (E5,789) and ITP South - Shifnal Bradford Street Enhancements (E18,197)).
					Budget increase of £54,224 to cover spend on various ITP schemes (ITP Central - Belvidere Road, Shrewsbury (E1,208), ITP South - Shifnal Bradford Street Enhancements (E255) and ITP South - Curriers Lane, Shifnal School Safety (E30,261) and a parish council scheme (St. Martin's PC - St. Martin's School Recreation Site (E22,500)).
					Budget increase of £12,550 to fund additional spend on Meole Brace Primary 2 Class Extension scheme.
					Budget increase of £100,000 to fund additional spend in relation to Affordable Housing schemes.
CIL	189,215	(55,046)			Budget increase of £24,000 for newly approved grant.
					Budget increase of £190,000 for newly approved projects.
					Budget removal of £14,785 in 2020/21 and £55,046 in 2021/22 due to completion of Shifnal St. Andrew's 2 Class Extension project.
Other Contributions	28,645	1,429,248			Budget increase of £1,080 in private sector contributions in relation to a heritage asset acquisition.
					Budget increase in 2021/22 due to private school fund contribution to Ford Trinity MUGA scheme.
					New grant award of £11,307 in 2020/21 and £1,381,248 in 2021/22 from Affordable Warmth Solutions in relation to Warm Homes Category 1 Bid Boiler installation scheme.
					New grant award of £11,307 in 2020/21 and £46,000 in 2021/22 from Historic England in relation to Oswestry HAZ.
					Budget increase of £11,224 as a result of an internal insurance payment in relation to Ruyton XI Towns Primary School Fire Damage scheme.
Total Other Contributions	499,180	1,446,872	0	0	
Revenue Contributions to Capital	(65,700)				Budget decrease of £12,167 as schemes completed (Oswestry Victoria Centre Boiler Replacement £11,523 and various Corporate Landlord £944).
					Budget removal of £48,256 due to the completion of various Corporate Landlord schemes.
					Budget increases in schools revenue contributions totalling £11,073 to fund various schools DfC schemes.
					Budget removal of £16,350 due to completion of Theatre Seven - Fire Doors Improvement project.
Corporate Resources (expectation - Capital Receipts only)	563,287	564,450			Budget increases of £219,250 for two new HRA acquisitions and £7,808 to cover SdLT on HRA acquisitions.
					Budget decrease of £5,824 due to completion of Shifnal Primary 2 Class Extension (E500) and school academy conversion (Lower Heath Primary) (E5,924).
					Budget increase of £290,243 in relation to various HRA property acquisitions.
					Budget increase of £52,810 to fund additional spend in relation to Market Drayton Business Grant scheme.
					Budget increase in 2021/22 of £564,450 in relation to a Children's Residential Care project.
	(745,974)	5,322,146	312,500	0	
Re-Profiling					
Adult Services					
ASC Unallocated	(50,000)	50,000			Reprofiling of DFG to reflect future delivery of programme.
Children's Services					
SEND Bitterley Primary	(86,750)	86,750			Reprofiling of SEND Special Provision grant to reflect expected expenditure profile.
Surdonne Infants 2 Classroom Provision	9,826	(9,826)			Reprofiling of revenue contribution to reflect expected expenditure profile.
Condition Unallocated	(900,000)	900,000			Reprofiling of Condition grant (E811,999) and capital receipts (E88,001) to reflect expected expenditure profile.
SEND Special Provision Funds Allocation - Unallocated	(60,000)	60,000			Reprofiling of unallocated SEND Special Provision grant to reflect future delivery of schemes.
Market Drayton Junior Place Planning	10,439	(10,439)			Reprofiling of capital receipts to cover spend incurred earlier than anticipated.
Place					
SEPUbu Phase 2 Unallocated	(300,000)	300,000			Reprofiling of ERDF grant (E180,000) and revenue contributions (E120,000) to reflect delivery of schemes.
Whitchurch Medical Practice	(400,000)	400,000			Reprofiling of CIL contributions to reflect expected expenditure profile.
Shethall - Refurbishment - Unallocated	(100,000)	100,000			Reprofiling of capital receipts to reflect expected delivery of programme.
Broadband Project - Phase 4 - ERDF Match	(185,000)	185,000			Reprofiling of capital receipts to reflect expected expenditure profile.
Broadband Project - Phase 5 - BDUK Gigabit Voucher Soft	(950,000)	950,000			Reprofiling of capital receipts to reflect expected expenditure profile.
Shrewsbury Self Build Scheme	(300,000)	300,000			Reprofiling of capital receipts to reflect expected expenditure profile.
Old Rectory, Whitchurch Section 106	(4,352)	4,352			Reprofiling of capital receipts to provide for retention payment expected in 2021/22.
Workforce & Transformation					
ICT Digital Transformation Unallocated	(350,000)	350,000			Reprofiling of capital receipts to reflect future delivery of programme.
ICT Digital Transformation - Social Care Project	(100,000)	100,000			Reprofiling of capital receipts to reflect expected expenditure profile.
ICT Digital Transformation - CRM	(300,000)	300,000			Reprofiling of capital receipts to reflect expected expenditure profile.
	(4,065,837)	4,065,837	-	0	

Please contact finance@warrington.gov.uk for more information