



Committee and Date

Transformation & Improvement Scrutiny
19th February 2024

Cabinet
21st February 2024

Item

Public



Finance Monitoring 2023/24 – Quarter 3

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1. Synopsis

The Shropshire Plan clarifies our vision and priorities, aligning our resources to deliver positive outcomes for our people, businesses and communities. Our objectives are to be delivered within a fixed financial envelope and we continue to make progress towards that aim.

2. Executive Summary

Overview

- 2.1. The Shropshire Plan (TSP) was created to clarify Shropshire Council’s vision, priorities and Strategic Objectives. These objectives reflect the outcomes we aim to achieve within our available financial envelope. We measure the achievement of TSP by monitoring our performance (using Key Performance Indicators (KPIs) to help measure, drive and understand delivery of our Strategic Objectives) and managing our overall financial position (ultimately delivering our outcomes while remaining within our agreed financial envelope).
- 2.2. The current year, 2023/24, is prioritising financial management with the aim to create a sustainable financial future. Over this year we have been monitoring our finances closely. We are seeking to rebase our budgets, in line with the outcomes

defined in TSP, to secure a modern, efficient, and sustainable base for the Council finances across the 5 year period of the MTFS.

- 2.3. This approach is aligned to the recommendations of the LGA peer review and is comparable with the best approaches seen in local government and covers the key elements of the Councils finances – revenue performance including ringfenced grants, spending reductions, reserves, and capital investment. However, we have been facing significant challenges during the year arising from inflation pressures within our supply chain and ongoing demand pressures for social care services we provide to local people.
- 2.4. We will need to continue to make the adjustments through this year and next but Shropshire residents will reap the rewards in years to come, through improved financial stability. Against this backdrop we are seeking to maintain our performance and improve it where our financial position allows. Beyond that, our intent is to grow our potential, seeking continuous improvement, greater resilience, and increased efficiency in all aspects of our work.

Key Values and Context

2.5. The key issues highlighted by this report are:

- a. **Revenue spending reductions of £39.8m:** The MTFS agreed by Full Council (2 March 2023) included £51.4m of planned spending reductions £39.8m which represents 77% of the year-end target.
- b. **Spending pressures in demand-led services of £28m:** Despite the good progress on spending constraint already identified (above), demand-led services are forecasting significant overall budget pressures of £28.495m in the year, pressures which are expected to persist into the coming year. After planned application of £20.5m of reserves set out in the reports for Q1 and Q2, the net budget pressure in People directorate is reduced to £7.995m.
- c. **An overall forecast for services of £14.533m:** Taking achieved savings and wider service pressures together, the overall forecast indicates net pressures in services of £14.362, which rises to £14.533m after taking into account changes to funding and corporate budget pressures (see table 1).
- d. **The above to be applied to the General Fund Balance, now £16.2m, at year end.**

3. Recommendations

Transformation & Improvement Scrutiny Committee

- 3.1. It is recommended that Transformation & Improvement Scrutiny Committee note the current position, raise any issues as appropriate, and identify any areas for future consideration by Scrutiny.

Cabinet

- 3.2. It is recommended that Cabinet note the following:

- a. That at the end of Quarter 3 (31 December 2023), the current expected level of savings delivery is £39.798m. That savings not yet confirmed amount to £11.593m.
- b. That demand-led services are forecasting significant overall budget pressures of £28.495m in the year, which are likely to continue into the coming year. These are pressures are included within the budget for next year. After planned application of £20.5m of reserves set out in the reports for Q1 and Q2, the net budget pressure in People directorate is reduced to £7.995m.
- c. Net service pressures across all areas amount to £14.632m (see table1).
- d. The result of A-C above with no further actions and including changes to corporate budget forecasts and anticipated grant income is a forecast overall overspend of £14.533m.

3.3. It is recommended that Cabinet approve the following, in line with the Q1 and Q2 monitoring reports:

- The reallocation of £9.7m of earmarked reserves to the General Fund Balance
- The application of £20.5m of funds from the General Fund Balance to mitigate pressures in social care

3.4. It is recommended that Cabinet approve that Shropshire Council acts as accountable body for the Innovation Regions Programme.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. Regular financial reporting is part of the governance and risk management approach within the Council ensuring that it delivers sustainable and value for money services as required under statute. Risk management continues to be an active part of this process, and Officers review potential risk and opportunity scenarios each month. The Council holds two finance related strategic risks regarding managing the current financial situation and so this remains under constant review to consider appropriate management action of the situation.

4.2. Risk table

<i>Risk</i>	<i>Mitigation</i>
That the management actions described do not yield the results being targeted, leading to a larger pressure on the general fund balance.	To further enhance reporting and action planning on financial performance through Directorate Management and Chief Officer teams to include clear visibility for reserves position(s). To ensure that plans are prioritised such that the outturn position is fully funded by available reserves.
Ongoing pressures in Adult Social care	Partnership working with the ICS to ensure that risks and opportunities are actively managed through the winter period (an integrated approach to hospital discharge arrangements), and that opportunities to secure any additional funding (e.g., from DHSC) are utilised. The service transformation programme will

	also provide mitigations, with the enhanced approach to reablement.
Ongoing pressures in Children’s social care	Current indications are that the use of earlier intervention approaches is reducing the number of cases where children in need become children looked after, which will reduce new cases of children in need of care. Additionally, the introduction of in-house residential provision will provide alternatives to commercial residential care, such as family reunification or fostering.
Insufficient reserves to cover projected overspending or other deficits.	Improved budget preparation process with more analysis of current and future activity trends. Modelling of current and future reserves levels, including both earmarked and unearmarked, against likely levels of pressure and impact on securing the desirable level of unearmarked (general) reserves. Review of ways in which further funds can be brought into unallocated general fund balances and reserves to support balance sheet repair and reserves improvement with the aim to retain a General Fund Balance within the range of £15m to £30m.

5. Financial Implications

- 5.1. This is the subject of the report. The financial position as at 31 December 2023 will be used in the planning of the budget for 2024/25.

6. Climate Change Appraisal

- 6.1. The Council’s Financial Strategy supports its strategies for Climate Change and Carbon Reduction in several ways. A specific climate change revenue budget is held and spend is included in Appendix 1 to this report. The climate change schemes involving the Council’s assets or infrastructure are included within the capital programme of which further detail can be found within Appendix 7. These two areas of expenditure are anticipated to have a positive contribution towards climate change outcomes.
- 6.2. Securing a robust and sustainable financial base will help the Council meet the challenges of climate change – this is not separate to our budget management, but integral to it, as set out in the objectives of The Shropshire Plan and our aim to secure a Healthy Environment. Future financial planning will consider whether ‘carbon accounting’ will further clarify the options available to reduce the carbon footprint of the Council.

7. Background

- 7.1. Budget monitoring reports are produced quarterly for Cabinet and the budget position is reported monthly to Executive Directors, highlighting the anticipated year end projection and options to address the position in order that the Council remains within its available resources.

- 7.2. The monitoring reports track progress against agreed budget decisions, consider any budget changes (including re-profiling on Capital), forecast any significant variances to the budget, and enable corrective action to be taken to ensure a balanced budget at year end.
- 7.3. Council approved the Financial Strategy 2023/24 – 2027/28 on March 2023 which outlined the revenue and capital budget for 2023/24.
- 7.4. The approach to the current year was changed in view of the challenges we face, identified in the MTFs agreed by Full Council on 2 March 2023. The approach to the current year was extended to include:
- Improved access for budget holders to key activity and financial information
 - Faster internal reporting from quarterly to monthly, while maintaining quarterly reporting as our standard demonstration of transparency and accountability.
 - Wider engagement with relevant service managers to secure timely information on activity and resulting expenditure.

8. Projected Revenue Outturn at Q3

Overall position

- 8.1. At Quarter 3 (April – December), the Council is reporting a BAU ('business as usual') forecast overspend of £14.6m.
- 8.2. The £14.533m forecast overspend can be summarised as:
- £11.593m of spending reduction targets not yet achieved as at Quarter 3, and so subject to further review to assess deliverability within the year¹.
 - £20.5m funding built in as a contribution from the General Fund as short-term funding to mitigate the demand pressures in Adult and Childrens Social Care.
 - Other net pressures of £2.4m
 - Reduction in Top Up Grant of £0.545m.
- 8.3. The significant budget pressure being seen in social care is a position shared in common with many other local authorities, as recent media reports and sector communications have continued to confirm. It is clear that the ongoing impacts of COVID and the cost of living crisis continue to impact on many residents.

Table 1: BAU forecast expenditure and resources

Directorate	Revised Budget (£'000)	Forecast Outturn (£'000)	Q3 Under/Overspend (£'000)	Q2 Under/Overspend (£'000)
People	198,117	206,073	7,955	25,377
Place	75,750	79,294	3,545	4,289
Resources	2,764	5,641	2,877	3,201
Health & Wellbeing	1,878	1,866	(12)	(2)
Strategic Management Board	163	160	(2)	(17)
Service Spending	278,672	293,034	14,362	32,848
Corporate Budgets	(22,758)	(23,162)	(404)	(455)
Total Net Expenditure	255,914	269,872	13,959	32,393
Funded By:				
Council Tax	(193,577)	(193,577)		0
Business Rates	(39,424)	(39,424)		0

Top Up Grant	(11,120)	(10,545)	575	0
Revenue Support Grant	(7,479)	(7,479)		0
Collection Fund (Surplus)/Deficit	(4,314)	(4,314)		0
Total Funding	(255,914)	(255,339)	575	0)
Net Total	0	14,533	14,533	32,393

8.4. Table 1 summarises the position by directorate. This shows

- expenditure pressures are focused in the People Directorate, in the same way as was reported for Quarter 2. This is largely unchanged, despite ongoing work to address the ongoing demand pressures. In Q3 the position is reduced through the application of £20.5m of reserves (as indicated in the previous report).
- other areas have seen some improvement in their overall expenditure positions.
- income has remained largely as anticipated at the setting of the budget.

8.5. For further detail, see Appendix 1A and 1B; the breakdown by portfolio holder is in Appendix 1C.

Delivering spending reductions

8.6. Spending reductions already delivered within the year and anticipated to be delivered by the year-end now amount to £39.798m. This is summarised below.

Table 2: Summary of spending reductions

2023/24 Spending Reductions	2023/24 target savings	Q3 – delivered	Q3 – forecast	% of target savings	Under Review
Health & Wellbeing	-653,170	-598,677	-653,170	100%	0
People	-21,304,438	-15,918,074	-20,983,897	98%	-320,541
Place	-16,941,750	-6,846,593	-12,390,760	73%	-4,550,990
Resources	-6,027,192	-2,470,147	-3,069,882	51%	-2,957,310
Corporate Budgets	-6,463,760	-1,700,010	-2,700,010	42%	-3,763,750
Total	-51,390,310	-27,533,501	-39,797,719	77%	-11,592,591

8.7. In order to address the budgetary pressures arising in Social Care, the People Directorate is actively implementing measures to help ensure that resident care needs are met at the earliest opportunity, to reduce the likelihood of long term care being needed. This work is planned to continue into 2024/25, as was indicated in previous finance reports (at Q1 and Q2).

9. Income

9.1. The revenue budget is funded by £255.9m of income including specific government grants and retained local taxation receipts. Grant values are advised in the settlement before the start of the year and are unchanged.

9.2. Income through discretionary fees and charges is included in budgets for service area net spending. Appendix 2 provides analysis of the current projection of specific government grant income by directorate, including any new allocations, and highlights the current delivery of income through fees and charges charged in services.

10. Spending Reductions

10.1. The spending reduction projections for 2023/24 have been shown as delivery confirmed or delivery to be confirmed (summarised above in table 4, with further detail in Appendix 3). These projections show that 77% of the 2023/24 target reductions have been delivered.

11. Reserves

11.1. The 2023/24 budget strategy included a contribution of £19.868m to the General Fund balance which would then reach £26.961m, which is a safer level given the current profile of financial risks. This is shown in the table below, and in appendix 5.

11.2. It is important that the Council maintains the General Fund Balance at a robust level, as is assumed within the Medium Term Financial Strategy. Independent advice is that un-earmarked reserves (represented by the General Fund Balance¹) should equate to 5%-10% of net spending.

Table 4: General Fund Balance

General Fund	£'000
Balance as at 1 st April 2023	7,093
Budgeted Contribution	19,868
Budgeted General Fund Balance as at 31st March	26,961
Release of earmarked reserves	9,700
Funding of demand pressures in social care	(20,500)
General Fund Balance available to be applied to overspend in year	16,161

11.3. The impact across all funds and the associated levels of reserves/surpluses carried forward are set out in table 5 (below). Reserves in the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA), and Public Health Grant (PHG) are ringfenced, and so can only be applied in line with the terms of those different grants or accounts.

Table 5: Summary of spending and impacts on reserves and carried forward surpluses for key funds and reserves

Revenue summary (£m)	General Fund £'000	Dedicated Schools Grant £'000	Housing Revenue Account £'000	Public Health Grant £'000
Forecast expenditure	270,447	50,111	(2,200)	13,663
Budget	255,914	48,185	(293)	13,663
Forecast (under)/overspend	14,533	2,926	1,926	0
Reserves:				
Brought forward	7,093	2,181	12,359	3,873
Added/(used)	(5,465)	(2,926)	(2,200)	(1,672)
Carried forward/in hand	1,628	(742)	10,159	2,201

11.4. General fund reserves (the general fund balance) is part of the risk mitigation strategy of the council. It is advisable to hold this reserve at £15m-£30m,

¹ It is usual for the General Fund Balance to be the core 'unearmarked reserve'. Some authorities only retain this balance, others also retain a general fund reserve earmarked to support budget delivery, where such provision is possible. Some also retain a revenue 'contingency' budget in addition to earmarked and unearmarked reserves.

depending on the assessment of risk being faced by the Council concerned. Based on the values above, a further £13.4m would be required to supplement the General Fund Balance and balance the position within the year. However, a plan to re-invest in General Fund Balances has been included over the course of the MTFS.

- 11.5. The DSG reserve is the result of surpluses accumulated in prior years. Overall, the DSG is allocated to be spent in-year on schools and educational priorities. Surpluses are carried forward to be used in later years. It is now anticipated that the DSG position at the Council will be in deficit which will mean the Council will need to use the national ‘statutory override²’ position to avoid needing to provide in the general fund for the deficit in the DSG. Balances are also held by schools themselves, although the general fund balances remain the contingency fund of last resort.
- 11.6. The HRA reserves reflects the overall reserves of the HRA. The HRA also holds separate reserves to cover, for example, Major Repairs and future capital investment costs (e.g. for carbon neutral, fire safety, and anti-mould investments). Again, however, the fund of last resort is the general fund.
- 11.7. The PHG reserve is also the accumulated impact of underspending in previous years (partly due to the interaction of government funding for COVID response work and the scope of the PHG). Due to the impact of COVID funding, it is expected that the current accumulated surplus will be applied in the course of the next 3 years in line with planned and agreed activity within the current PHG regulations and monitored by OHID.

12. Capital Investment

- 12.1. The current capital investment programme and actual spend on that is detailed in Table 6 below, including updated projections on financing of the programme. Further detail is provided in Appendix 7.

Table 6: Projected outturn for the Approved Capital Programme

Directorate	2023/24 Revised Capital programme (£'000)	2023/24 Actual Spend (£'000)	2023/24 Actual YTD spend as % of budgeted YTD spend	2024/25 Capital Programme (£'000)	2025/26 Capital Programme (£'000)
Health & Wellbeing	--	-	-	-	-
People	10,556	4,942	46.8	14,349	5,780
Place	72,644	40,549	55.8	114,977	39,725
Resources	142	89	62.4	900	-
Total General Fund	83,342	45,580	54.7	130,226	45,505
Housing Revenue Account	32,826	9,004	27.4	17,125	12,708
Total Capital Programme	116,168	54,584	47.0	147,351	58,213
Financed By:					
Borrowing	25,336			48,405	11,737
Government Grants	54,286			70,082	33,011
Other Grants	2,275			156	44
Other Contributions	9,091			7,933	2,100

² The statutory override will currently end in March 2026.

Revenue Contributions to Capital	4,189			71	369
Major Repairs Allowance	8,316			4,828	5,000
Capital Receipts	12,676			15,876	5,952
Total Financing	116,168			147,351	58,213

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

- 12.2. There is identified slippage of £10.5m between Q2 and Q3 capital reports. Slippage relates to the unplanned delays often encountered in larger capital projects. The schemes will continue as planned, but with the delay in delivery being reflected in the revised spending profile.
- 12.3. Capital schemes within the capital programme are not only continually monitored in terms of current year actual expenditure against budget but also in terms of scheme forecast outturn compared to budget and scheme delivery against profile. At Quarter 3 forecast outturn against budget and scheme delivery against profile for schemes in the approved capital programme are within acceptable limits.
- 12.4. The current capital programme assumes a level of capital receipts to finance the capital programme. Without these, the council may need to borrow externally, which would be more costly. Appendix 8 summarises the current capital receipt position and highlights both opportunities to secure receipts and the risk of increased revenue costs in future years.

13. Housing Revenue Account (HRA)

- 13.1. At Quarter 3 (Period 3), the HRA is projecting an overspend of £1.926m capital investment being brought forward (as a result of the decision in August 2023) with a resulting impact on the revenue cost of financing that investment. This additional in-year cost will be financed through the HRA reserve.

14. Dedicated Schools Grant

- 14.1. As with previous years, the final Early Years Block DSG allocation for 2022/23 was published on 20 July 2023. The final allocation of £17.139m which takes account of the January 2023 census figures is £0.229m less than the provisional Early Years DSG Block DSG allocation. The provisional allocation was used to calculate the 2022/23 DSG surplus carried forward, which is confirmed as £2.467m.
- 14.2. Of this, £0.285m relates to the 2021/22 and 2022/23 surpluses carried forward on the Schools Growth Fund. This value is earmarked for the Schools Growth Fund in 2023/24 where the Council's Schools Growth fund needs "topping-up" to meet in-year expenditure requirements. This commitment will leave £2.181m 'uncommitted' in the DSG reserve.
- 14.3. As at the end of Quarter 3, there is a forecast in year deficit of £2.926m which will need to be added to the £2.181m revised surplus carried forward from 2022-23 in order to give a forecast overall cumulative DSG deficit position of £0.742m at the end of 2023/24. The £2.926m in-year deficit is mostly caused by the forecast outturn position for the High Needs Block which forecasts an in-year deficit of £2.528m.

- 14.4. The forecast overspend on the High Needs Block of £2.528m is due to a significant forecast overspend against the budget for Independent Special School placements which has seen a 52% increase in forecast expenditure in 2023/24. There are several explanations for this. Firstly, the Council has experienced a sharp increase in demand for Independent Special School placements as evidenced by the number of new placements. This is a trend that was identified in 2022/23 but the increase has been faster than anticipated in 2023/24. Additionally there is more frequent use of independent alternative providers, particularly in relation to children who are post 16. Lastly, the average termly cost of a placement has increased in 2023/24 reflecting price inflationary pressures.
- 14.5. The forecast outturn position for the Early Years Block is showing an overspend of £0.335m against a provisional budget of £17.868m. Within this block, there is a forecast pressure of £0.360m on SEND Support against a budget set of £0.600m. The demand experienced on this budget has grown in recent years with Shropshire seeing a growing number of children presenting with a range of developmental and emotional difficulties which require support. It is important to note that this position on the Early Years budget is provisional and could change once the final 2023-24 Early Years DSG allocation is published in July 2024.
- 14.6. The High Needs Block DSG 3-year forecasting exercise undertaken in January 2023 demonstrated that future expenditure growth is likely to outstrip future growth in High Needs Block DSG allocations. An updated 3 year forecast for the High Needs Block DSG is now required as a key priority, given that expenditure in 2023-24 on the High Needs Block is forecast to be £42.684m at Q3, an increase of £7.830m compared to the 2022-23 figure of £34.854m, representing a 22% increase, while the funding increase for 2024-25 is provisionally only 5.1%. The High Needs Block DSG 3-year forecast will be presented to Schools Forum in 2024 with potential mitigations set out against the High Needs Block DSG to bring the DSG financial position back into balance over an agreed period, likely to mirror the 5 year MTFs period commencing in April 2024.

15. Financial Management

- 15.1. Key indicators of financial management can be examined through the management of routine financial transactions that the Council undertakes.
- 15.2. A key annual indicator is the ability to prepare the statutory accounts in line with the national deadline. This was achieved in the current year, with the pre-audit accounts being submitted for audit on the 31 May. The Council was one of only a few local authorities to achieve this, which provides confidence in the quality of the accounting records and the overall level of understanding that the finance team collectively hold.
- 15.3. In paying suppliers, the Council has adopted a no Purchase Order, no pay (“no PO no pay”) process which ensures that transactions are only processed with a valid, authorised purchase order, thereby ensuring prompt payments to suppliers on receipt of invoice. However, current levels of performance are variable between and within service areas.

15.4. Another key indicator of financial management is the level of aged debt that the Council is managing. These indicators are tracked over the course of the financial year to monitor progress. The indicators as at Quarter 3 are detailed in Appendix 9.

16. Accountable Body Status – Innovation Regions Programme

- 16.1. In April 2023 the Department for Science, Innovation and Technology (DSIT) set out the governments Wireless Strategy which included 5G technology adoption and digital transformation to build a more inclusive, competitive, and innovative digital economy.
- 16.2. DSIT are looking to establish 8-10 5G ‘Innovation Regions’ across the UK. DSIT encouraged bids from multiple local authorities working together.
- 16.3. Funding will enable Regions to unlock opportunities across the digital economy utilizing advanced wireless connectivity. Tailoring interventions to their specific local needs and existing strengths, Regions will promote the development and scaled adoption of 5G and other advanced wireless technologies in businesses and in the delivery of public services, to generate value and growth at the local level.
- 16.4. Successful ‘5G Innovation Regions’ will set their own individual objectives but must fit within the overarching objectives of the Innovation Regions programme:
- Drive productivity and economic growth in places across the UK through supporting the development and scaled adoption of 5G by businesses and public services.
 - Accelerate commercial investment in 5G and other advanced wireless technologies by aggregating and demonstrating demand.
 - Foster the 5G ecosystem by enabling activities that will bridge the gap between trials and adoption.
- 16.5. Shropshire Council submitted an application on behalf of the River Severn Partnership (RSP) to become a 5G Innovation Region.
- 16.6. Formed in 2019, the RSP brings together significant partners (26) across 8 counties. RSP covers more than 6,000 sq miles spanning both England and Wales.
- 16.7. With the river network at its heart, the Partnership is invested in a shared plan supporting people, businesses, and the environment to be resilient to the impacts of climate change and in so doing stimulate growth.
- 16.8. Becoming a 5G Innovation Region consolidates RSP’s Innovation Programme by embedding Advanced Wireless Connectivity (AWC) technology at the heart of technological innovation across our priority sectors comprising rural industries, water management and public services, where RSP’s partners are both regional and national leaders.
- 16.9. The bid was successful and resulted in a funding allocation of £3.755m to deliver the objectives of the Innovation Regions programme for the period to 31st March 2025.
- 16.10. Shropshire Council will act, subject to Cabinet approval, as the accountable body for this programme and will be responsible for monitoring the delivery and success of the scheme. Failure to make satisfactory progress with the funded

activities may result in a reduction in funding or repayment of grant. MoUs will be agreed with the relevant bodies in the delivery partnership and each partner will be required to submit evidence of progress to be assessed by Shropshire Council prior to the release of grant funding to mitigate the risk of clawback.

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

Financial Strategy 2023/24 – 2027/28, February 2023 Council [MTFS 2023-24 - 2027-28](#)

Financial Monitoring Report Quarter 1 2023/24 [Q1 finance report 23-24](#)

Financial Monitoring Report Quarter 2 2023/24, [Q2 finance report 23-24](#)

Financial Rules [Financial rules Feb 2019](#)

Local Member: All

Appendices

Appendix 1A – 2023/24 Projected Revenue Outturn by Service

Appendix 1B – 2023/24 Detailed Projected Revenue Outturn by Service

Appendix 1C – 2023/24 Projected Revenue Outturn by Portfolio Holder

Appendix 2 – 2023/24 Income Projections

Appendix 3 – Delivery of 2023/24 Savings Proposals

Appendix 4 – Reconciliation of Monitoring Projections to Savings Delivery

Appendix 5 – Amendments to Original Budget 2023/24

Appendix 6 – Reserves 2023/24

Appendix 7 – Projected Capital Programme Outturn 2023/24 – 2025/26

Appendix 8 – Projected Capital Receipts

Appendix 9 – Financial Management Indicators

APPENDIX 1A

2023/24 PROJECTED REVENUE OUTTURN BY SERVICE (MOVEMENT Q2 TO Q3)

Directorate / Service	Forecast Outturn Variance at Q2	Budget at Q3	Forecast Outturn at Q3	Forecast Variance at Q3	Movement from Q2 to Q3	Reasons for Movement Q2 to Q3
	£'000	£'000	£'000	£'000	£'000	
People						
Children's Social Care and Safeguarding	13,100	49,240	52,393	3,153	(9,948)	<p>£11.000m contribution from General Fund Balance. This is short term funding to support responses to demand pressures, described in previous reports.</p> <p>Other</p> <ul style="list-style-type: none"> • +£0.519m increase relating to External Residential Placements • +£0.257m increase relating to Fostering Placements (of which +£0.139m increase in new External Fostering placements due to increase in numbers) • +£0.222m increase in overspend relating to Semi-Independent Placements (16-18). Partially explained by 1 very high cost, short placement. • +£0.262m increase in overspend relating to DCT Prevention & Support Payments due to an increase in demand and complexity • -£0.083m decrease in overspend relating to PLO (pre-legal) Support Packages
Adult Social Care	9,701	126,958	129,255	2,297	(7,403)	<p>Non-Purchasing Reduction - £9.671m</p> <p>£9.500m contribution from General Fund Balance. This is short term funding to support responses to demand pressures, described in previous reports.</p> <ul style="list-style-type: none"> • (£0.118m) forecast expenditure reduction in START <p>Purchasing Increase £2.268m</p> <ul style="list-style-type: none"> • £3.376m expenditure increase in SPOT placement forecasting. The majority of this is within Nursing (+£1.156m) and Residential Care (+£0.827m), but we have also seen increases in the Direct Payments forecasted position (+£0.362m) • (£0.222m) expenditure reduction in Supported Living. <p>Increased CHC (NHS) income £1.062m</p>

Directorate / Service	Forecast Outturn Variance at Q2	Budget at Q3	Forecast Outturn at Q3	Forecast Variance at Q3	Movement from Q2 to Q3	Reasons for Movement Q2 to Q3
	£'000	£'000	£'000	£'000	£'000	
						• (£1.062m) increase in Continuing Health Care (CHC) Income to improve joined up approaches. This reflects higher demand and complexity levels of work across the health and care system.
Early Help, Partnerships and Commissioning	(123)	3,268	3,012	(256)	(132)	<ul style="list-style-type: none"> • -£0.115m increase in temporary vacancy management savings across the Family Hubs • -£0.019m increase in underspend forecast against Early Help Family Hubs non-staffing budgets including premises related expenditure such as Rates, building/room rental/hire expenditure
Learning and Skills	296	18,190	18,569	379	82	• £0.105m increase in overspend relating to Home to School Transport between Quarter 2 and Quarter 3. Explained by large increase in numbers of children with SEND being placed at Independent Special Schools as well as the new state funded SEMH free special school, Keystone, increasing numbers attending following the move into their new building.
People Directorate Management	2,403	461	2,843	2,382	(20)	Minor variation to Quarter 2.
People Total	25,377	198,117	206,073	7,955	(17,421)	Of which, £20.5m of the change arises from planned application of General Fund Balance funds to provide time for demand management measures to be put into place.
Place						
Commercial Services	2,363	37,454	39,559	2,105	(258)	Decrease in projected spend on utilities and other repairs and maintenance costs
Homes and Communities	443	15,053	15,243	189	(254)	Additional savings achieved, additional income from services, some salary vacancies
Economy and Place	554	6,320	6,792	471	(83)	Additional savings achieved/vacancies/delay in expenditure
Directorate Management	1,392	(747)	661	1,408	16	Minor variation to Quarter 2.
Highways and Transport	(463)	17,669	17,040	(629)	(166)	Delay of works
Place Total	4,289	75,750	79,294	3,545	(745)	
Resources						

Directorate / Service	Forecast Outturn Variance at Q2	Budget at Q3	Forecast Outturn at Q3	Forecast Variance at Q3	Movement from Q2 to Q3	Reasons for Movement Q2 to Q3
	£'000	£'000	£'000	£'000	£'000	
Finance and Technology	1,856	2,809	4,441	1,632	(225)	Additional savings achieved across vacancy management
Legal and Governance	233	347	505	158	(75)	Additional savings achieved across vacancy management
Workforce and Improvement	50	(8)	31	39	(11)	Minor variation to Quarter 2.
Communications and Engagement	82	626	687	60	(21)	Minor variation to Quarter 2.
Treasury and Pensions	0	(39)	(39)	0	0	No variation to Quarter 2.
Directorate Management	979	(971)	16	987	8	Minor variation to Quarter 2.
Resources Total	3,200	2,764	5,641	2,877	(324)	
Corporate Budgets	(455)	(22,758)	(23,162)	(404)	51	Increased pressure relating to external audit fees.
Health and Wellbeing						
Public Health	0	7	7	0	0	No variation to Quarter 2.
Regulatory Services	(2)	1,871	1,859	(12)	(10)	Minor variation to Quarter 2.
Health and Wellbeing Total	(2)	1,878	1,866	(12)	(10)	
Strategic Management Board						
Chief Executive and PAs	(17)	146	146	0	17	Minor variation to Quarter 2.
Programme Management	0	17	15	(2)	(2)	Minor variation to Quarter 2.
Strategic Management Board Total	(17)	163	160	(2)	15	
Council Total	32,394	255,914	269,872	13,959	(18,434)	

APPENDIX 1B

DETAIL BY SERVICE AREA

Directorate	Revised Budget £	Forecast Outturn £	Variance £
People	198,117	206,073	7,955
Place	75,750	79,294	3,545
Health & Wellbeing	1,878	1,866	(12)
Resources	2,764	5,641	2,877
Strategic Management Board	163	160	(2)
Corporate Budgets	(22,758)	(23,162)	(404)
TOTAL	255,914	269,872	13,959

PEOPLE	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	198,117,440	206,072,559	7,955,119	R

Children's Social Care and Safeguarding	Children & Education				
		49,240,040	52,392,670	3,152,630	R

A contribution of £11.000m from the General Fund has been applied at the end of Q3. This is short-term funding while demand-led pressures are being addressed.

Other analysis is set out below.

- **£9.240m pressure on residential and fostering placement costs**, with the external residential placements forecast budget pressure currently forecast to be £6.950m reflecting 54 external residential spot/framework placements as at the end of November. The number of children in this type of placement exceeds the budgeted number in 2023/24. Although the increase in external residential spot/framework placements did stabilise in quarter 1. After a significant increase late in 2022/23, the service experienced an increase of 14 new external residential spot/framework placements in quarter 2 which included 2 large sibling groups. In Quarter 3, the numbers have remained more stable, although a lack of fostering capacity has meant that the service has experienced delays in moving children on from residential to fostering placements which has had an adverse effect on the monitoring position.

- £1.091m overspend relating to other costs such as transport recharges and taxi costs, childcare payments, parenting assessments and interpreting fees. These costs have increased in line with the increase in demand.

The service is adopting a number of strategies to address the current budget pressures, particularly around residential placements e.g. Stepping Stones Project and increasing internal foster care capacity. There is acknowledgement that demand has increased significantly over the last few years so there is emphasis on preventing demand into the social care system early through family support. This is being progressed through the "Best Start in Life", "Integration" and "Early Help Transformation" projects

- £0.894m pressure in the Disabled Children's Team (excluding staffing). £0.584m of this overspend relates to bespoke, short term care packages of prevention and support for disabled children and £0.250m relates to direct payments for disabled children. There has been a significant increase in demand, evidenced by a 300% increase in referrals. As well as an increase in the numbers of children requiring support, there has been an increase in the number of support hours per child, which indicates an increase in complexity.

- £0.438m overspend relates to PLO Support Packages budget where demand for expenditure relating to court-ordered items such as legal costs and medical assessments has increased.

- £0.398m overspend in the Leaving Care Team (excluding staffing). £0.322m of this overspend relates to accommodation costs for care leavers and allowances paid to care leavers, reflecting an increase in the number of children staying in relatively high cost supported accommodation placements beyond their 18th birthday. The remaining £0.076m relates to discretionary Council Tax relief for care leavers.

- £0.270m relates to the "Target Operating Model - Getting Leadership Right" savings target. This figure includes a £0.332m one-off budget pressure from an additional capacity Social Work Team/Court Team that was brought in temporarily to cope with increased demand. The forecast also includes an assumed £0.867m of posts to be capitalised as working on transformational projects.
- £0.273m overspend in Adoption Services. £0.139m relates to Adoption Allowances, where there has been a significant increase in 2022/23 and 2023/24. £0.146m overspend is forecast against the budget for intra agency adoption placements reflecting the trend across the region of more children being placed with voluntary adoption agencies. Whilst an additional cost, this is the most cost effective way to meet a child's needs and provides the best outcome. There has been an increase in the number of children adopted in line with demand.

Adult Social Care Operations	Adult Social Care and Public Health	118,141,330	120,743,909	2,602,579	R
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• (£9.500m) Contribution from General Fund, short term funding to address demand led pressures. The overall forecast overspend across Social Care Operations is £2.603m. The purchasing only element of this overspend is £12.042m. Below is the detail

- +£15.578m spot purchasing projected pressure. This pressure is split across base budget, where numbers of service users and cost of placements are higher than anticipated at budget setting, but lower than they were as at 1st April, and savings pressures that we are yet to see materialise in full. Continued achievement of savings in this area will reduce numbers and costs so the two go hand in hand when showing the overall position. We have seen an increase in nursing care, highlighting a complexity in people's needs from the community and through the hospital discharge routes. We have also seen more packages of care commissioned within people's homes, meaning the waiting lists have reduced but costs have increased. Work is on-going with the market to manage the increased costs of care. Finally, we have seen further pressures due to the continued need to support hospital discharges and short-term care provision which has resulted in higher costs. One-off Grant funding has been applied to offset some of these pressures.

- +£2.871m pressure on new and increased supported living packages. This pressure is driven by the level of complexity of service users' needs. Work is underway to remodel the service to better meet those needs.

- (£3.351m) anticipated over achievement of client contributions to care costs. As per the pressure on expenditure, due to greater number of individuals being supported than budgeted for, we are showing a greater amount of contributions being collected.

- (£3.054m) anticipated over achievement of CHC Income. This also reflects the increase in numbers of individuals we are supporting, especially those with more complex needs. It also reflects improved joined up approaches across health and social care.

Other variations (£9.466m):

- +£0.159m overspend relates to unachieved savings

- +£0.688m forecast pressure within passenger transport services relating to transport recharges. This is being looked at to ensure efficient use of resources.

- +£0.059m pressure on void supported living costs, where the lease costs of a property are not covered by tenants' Housing Benefit income due to the property being empty. Work continues to take place to ensure all voids are occupied as soon as possible and this number continues to reduce. This will also be looked at during the supported living remodelling mentioned above.

- (£0.599m) underspend within the staffing budget due to challenges in recruiting to vacant posts.

People Directorate Management	Adult Social Care and Public Health	460,690	2,843,164	2,382,474	R
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The forecast overspend relates to unachieved savings targets that have been applied organisation wide. £2.278m relates to the "Target Operating Model - 5% reduction in staffing" savings target while £0.103m relates to the "Target Operating Model - Getting Leadership Right" savings target.

Learning and Skills	Children & Education	18,190,420	18,568,958	378,538	R
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£0.454m of overspend at Q3 relates to the Home to School Transport budget. The service are confident that the changes put in place regarding alternative provision transport will deliver the £0.202m savings target in this financial year as well as well as the £0.100m savings target on SEND Transport. Despite this, the service has experienced a large increase in the number of routes/journeys paid for, particularly in the SEND Transport budget areas where the Council has seen a large increase in the number of pupils with SEND being placed at Independent Special Schools. This financial year has seen an acceleration of the trend experienced in 2022/23.

£0.039m forecast overspend relates to the Council's Fully Traded Schools Library Service as the forecast income from schools is not expected to cover the expenditure of running the service. This service is reviewing charges and operational activity for 2024/25 to ensure they can achieve full cost recovery going forward.

Partially offsetting this overspend, there is a forecast underspend of £0.065m within Learning & Skills Business Support relating to the use of capital receipts funding against a post on the basis that this post has been identified as working on a transformational project as a one-off in this financial year. There is a £0.037m forecast underspend in the NEETs Data Tracking team due to temporary vacancies. The remaining £0.012m forecast underspend relates to one off underspends on supplies and services across several teams.

Adult Social Care Provider Services	Adult Social Care and Public Health	3,933,660	4,226,524	292,864	R
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Overall Provider Services have a forecast overspend of £0.292m. Broken down as below:

- +£0.091m pressure within Shared Lives. This includes £0.068m which relates to un-achievement of rental and Housing Benefit income. This is currently under review.
- (£0.059m) forecast underspend in Internal Day Services.
- +£0.260m forecast overspend in START. This is down to staffing. We have over-recruited within the team and increased wages in order to deal with previously seen high staff-turnover. Although showing as an overspend in this area the impact of not having a fully staffed service is the extra reliance on external providers to deliver care. This is at greater expense and has worse outcomes for the individuals, who often have to access longer-term care when not given the correct support to enable them to go back home. If we continue to see high staff turnover then the expenditure will reduce due to vacancies.

Adult Social Care Business Support and Development	Adult Social Care and Public Health	3,765,430	3,559,880	(205,550)	Y
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(£0.206m) forecast underspend within Adult Social Care Business Support. The breakdown of this is as follows

- +£0.063m overspend relates to unachieved savings currently being worked through.
- +£0.106m overspend relates to yet to be made savings within Joint Training. We are in the process of making alternative plans
- (£0.120m) forecast staffing underspend due to vacancy management
- (£0.251m) short term capital funding to cover the costs of transformational posts

Adult Social Care Management	Adult Social Care and Public Health	1,117,730	725,147	(392,583)	Y
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(£0.393m) forecast underspend within Adult Social Care Management. The breakdown as follows:

- (£0.086m) forecast staffing underspend. All posts are now recruited to so the underspend relates to when the posts were vacant in April/May 2023.
- (£0.305m) short term capital funding to cover the costs of transformational posts

Children's Early Help, Partnerships and Commissioning	Children & Education	3,268,140	3,012,307	(255,833)	Y
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The majority of the underspend (£0.234m) is due to delays in recruiting staff to vacancies within the Early Help Family Hubs. The remaining underspend relates to premises related costs such as Rates and building rental charges and other supplies and services

PLACE	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	75,749,650	79,294,365	3,544,715	R

Waste Management	Deputy Leader, Climate Change, Environment and Transport	33,843,980	35,990,509	2,146,529	R
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Includes £4.125m outstanding Waste PFI saving, some of which is expected to be found in-year, delivery plans are in place as well as looking at the remainder of the saving to be achieved in future years.

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Director of Place	Housing and Assets	(746,850)	661,386	1,408,236	R
Projected overspend of £1.515m relating to undelivered TOM staffing budget turnover and wastage increase by 5% (year end review) savings. Increased by £0.159m due to the transfer of Housing savings target in P6. Some of this may be achievable in year by higher than 3% vacancy factor. -£0.130m saving anticipated from supplies and services budgets across the Place Directorate.					
Leisure	Culture and Digital	2,204,130	2,809,954	605,824	R
Leisure centre closures at three sites have resulted in loss of income/compensation for loss of income as well as repairs costs. Bad weather and flooding has also forced Meole Brace Golf Course to close resulting in reduced income'					
Planning Services	Planning and Regulatory Services	701,200	1,229,615	528,415	R
A reduction in the forecast income for planning applications and land charges (search) income. The number of major Planning Applications submitted in 2023/24 is lower than that of 2022/23, this is a trend seen by other Local Authorities. Planning income is greatly affected by the number of Major Planning Applications received (Apr-Dec 2022 Major Applications 89, Apr-Dec 2023 Major Applications 76).					
Housing Services	Housing and Assets	3,869,020	4,136,643	267,623	R
Housing Services have worked hard to reduce the numbers in B&B currently 125, as well as driving down accommodation costs for each placement. This work is ongoing alongside a number of temporary accommodation projects in the pipeline. Further to this, costs have been reduced for a range of support services, and a restructure is now planned to deliver staffing efficiencies. Current Assistive Equipment and Technology is projected to overspend by £0.338m in year, currently being offset by various other smaller overspends in Housing.					
Assistant Director Economy & Place	Growth and Regeneration	164,630	309,593	144,963	R
Projected overspend of £0.145m relating to undelivered Getting Leadership Right savings, work is being done to plan for these savings and cost of office alterations in Darwin Centre.					
Assistant Director Highways and Transport	Highways and Infrastructure	101,180	275,780	174,600	R
Projected overspend of £0.175m relating to undelivered Getting Leadership Right savings, work is being done to plan for these savings					
Assistant Director Commercial Services	Housing and Assets	50,080	162,794	112,714	R
Projected overspend of £0.111m relating to undelivered Getting Leadership Right savings, work is being done to plan for these savings.					
Assistant Director Homes and Communities	Housing and Assets	(181,720)	(27,179)	154,541	R
Projected overspend of £0.147m relating to undelivered savings, work is being done to plan for these savings offset by other small variances.					
Outdoor Partnerships	Culture and Digital	1,237,480	1,259,933	22,453	G
A break-in meant an additional £80k spend on replacing equipment, offset by an insurance claim but a shortfall of £20k has contributed to the overspend					
Libraries	Culture and Digital	3,362,630	3,409,319	46,689	G
Overspends are largely on salaries and equipment					
Shire Services	Housing and Assets	-	24,962	24,962	G
Minor variance from budget at Period 9					
Commercial Services Business Development	Housing and Assets	94,290	125,888	31,598	G
There is a current projected income shortfall against Business Development schemes due to the Business Development Officer spending significant amounts of time supporting transformation programme work in the People directorate to deliver savings in their service areas.					
Highways & Transport	Highways and Infrastructure	17,567,760	16,764,168	(803,592)	Y
Use of transport grants, release of transport provision (no-longer required) and managing the programme of works to maximise savings					
Business and Consumer Protection	Planning and Regulatory Services	1,986,250	1,838,704	(147,546)	Y
BCP are experiencing an influx of Blue Badge requests since the rules changed for 'non-visible disabilities', there are also a greater number of licenses than in the previous year due to the 3 and 5 year cycle that some are based on. Some vacancies contributing to underspend.					

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Registrars and Coroners	Planning and Regulatory Services	565,950	444,329	(121,621)	Y
Large increase in advance bookings					
Corporate Landlord, Property and Development	Housing and Assets	3,496,230	3,287,787	(208,443)	Y
Reserves are being used to offset an unachievable savings target associated with generating income from the Guildhall. There is also a pressure created from movement of tenants in three operational buildings being Shirehall, Ptarmigan and Mount McKinley, work is being done in year to fill these vacancies and income shortfall is being offset by in-year savings. There is also a current in year pressure at Bishops Castle Business Park (£0.205m) due to low tenancy levels, this is being offset with one-off in-year savings. The remaining underspend is due to projections against utility costs and vacancy management across the teams.					
Economic Growth	Growth and Regeneration	1,262,200	1,170,271	(91,929)	Y
Projected underspend relates to savings on vacancy management and grant income					
Broadband	Culture and Digital	174,190	140,806	(33,384)	Y
Staffing savings resulting from a reduction in hours and vacancy					
Policy and Environment	Planning and Regulatory Services	1,919,870	1,870,746	(49,124)	Y
Projected underspend relates to savings on vacancy management.					
Shrewsbury Shopping Centres (Commercial)	Growth and Regeneration	440	-	(440)	Y
Minor variance from budget at Period 9					
Culture, Leisure & Tourism Development	Culture and Digital	19,320	3,874	(15,446)	Y
Minor variance from budget at Period 9					
Bereavement Services	Planning and Regulatory Services	(242,040)	(244,256)	(2,216)	Y
Minor variance from budget at Period 9					
Shropshire Hills National Landscape	Culture and Digital	38,710	38,710	(0)	Y
No variance from budget at Period 9					
Museums and Archives	Culture and Digital	1,233,610	1,110,916	(122,694)	Y
Closure of Acton Scott Historic Working Farm has generated a saving					
Theatre Services	Culture and Digital	228,810	91,010	(137,800)	Y
Overall services forecast to generate additional (net) income.					
Head of Culture, Leisure & Tourism	Culture and Digital	680,260	325,860	(354,400)	Y
Culture, Leisure and Tourism (CLT) restructure has lead to a projected underspend as well as a delay in recruitment to current vacancies in order to offset other overspends in other CLT areas.					
Climate Change	Deputy Leader, Climate Change, Environment and Transport	(30,700)	(33,155)	(2,455)	Y
Minor variance from budget at Period 9					
Highway Policy & Strategic Infrastructure	Deputy Leader, Climate Change, Environment and Transport	2,097,710	2,070,648	(27,062)	Y
Continued High Street pedestrianisation measures, offset by grant and savings					
Housing Development and HRA	Housing and Assets	51,030	44,750	(6,280)	Y
Minor variance from budget at Period 9					

HEALTH AND WELLBEING	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	1,878,200	1,865,797	(12,403)	Y

Regulatory Services	Planning and Regulatory Services	1,871,130	1,859,167	(11,963)	Y
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Minor variation at Q3					
Ring Fenced Public Health Services	Adult Social Care and Public Health	7,070	6,630	(440)	Y
Minor variance at Q3. The directorate held £4.215m as ring fenced Public Health reserve at April 23 and plans to use £1.366m of this in the year, the directorate has clear plans for the use of the balance of this reserve over the subsequent three years. The directorate also utilised specific grant funding of £1.669m to enhance its public health activities. The use of reserves and additional grants means that this area's activities are 124% of the annual Public Health Grant.					

RESOURCES	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	2,763,930	5,641,346	2,877,416	R

Housing Benefits	Finance, Corporate Resources and Communities	512,130	1,728,130	1,216,000	R
Currently there are unachieved savings targets of £1.000m this is from a reduction in housing benefit subsidy loss from accommodating people in B&B accommodation to prevent homelessness, currently this saving is undeliverable, however solutions are being investigated as to how this can be moved forwards by housing.					
Resources Management Team	Finance, Corporate Resources and Communities	(971,470)	15,892	987,362	R
Currently there are unachieved savings targets of £0.979m, however a mitigation plans to make these savings achievable are currently being investigated.					
Finance	Finance, Corporate Resources and Communities	2,180,300	2,783,317	603,017	R
There are unachieved savings targets relating to efficiency reviews and Getting Leadership Right targets, these are partly offset by savings efficiencies across supplies and services, and vacancy management.					
Legal Services	Finance, Corporate Resources and Communities	(219,250)	(36,170)	183,080	R
Unexpected turnover within Legal Services generating additional vacancy savings, has been offset by the requirement to cover posts via more expensive agency, and locum costs especially in relation to covering legal child-care. There are also unachieved savings targets relating to Getting Leadership Right targets, legal disbursement reductions and service redesign.					
Policy and Governance	Finance, Corporate Resources and Communities	(69,650)	27,275	96,925	A
There are unachieved savings targets relating to service redesign.					
Human Resources and Organisational Development	Finance, Corporate Resources and Communities	(84,950)	(6,018)	78,932	A
Currently there are expected to be unachieved savings targets of £0.116m regarding Getting Leadership Right targets yet to have delivery confirmed, plans to make these savings achievable are currently being investigated, there are also SLA income pressures identified within the service of £0.153m these have been partly offset by savings from planned vacancy management and anticipated additional income generated within Health and Safety on a one off basis.					
Communications & Engagement	Leader, Policy and Strategy, Improvement and Communications	626,180	686,598	60,418	A
The savings around reducing the opening hours of Customer Service Centre have been delivered on a one-off basis in year, however there are unachieved savings of £0.123m in relation to securing CCTV partner funding and Getting Leadership Right targets yet to have delivery confirmed, offset in part by turnover within service area.					
Automation and Technology	Culture and Digital	116,830	(70,348)	(187,178)	Y
Savings are forecast in year from a combination of contract management, efficiencies across supplies and services, and vacancy management.					
Business Improvement: Data, Analysis and Intelligence	Culture and Digital	76,820	37,338	(39,482)	Y
In year savings of (£0.039m) are expected from vacancy management on a one-off basis.					

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Commissioning Development and Procurement	Finance, Corporate Resources and Communities	(213,520)	(230,355)	(16,835)	Y
Minor variance from budget at Period 9					
Democratic Services	Finance, Corporate Resources and Communities	231,850	145,544	(86,306)	Y
There are expected to be savings from across members services in relation to supplies and services.					
Elections	Finance, Corporate Resources and Communities	560,220	516,382	(43,838)	Y
In year savings of (£0.044m) are expected from vacancy management on a one-off basis.					
Pensions	Finance, Corporate Resources and Communities	(38,590)	(38,590)	0	G
No variance from budget at Period 9					
Risk Management	Finance, Corporate Resources and Communities	(13,720)	(13,720)	-	G
No variance from budget at Period 9					

STRATEGIC MANAGEMENT BOARD	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	162,730	160,248	(2,482)	Y

Chief Executive & PAs	Leader, Policy and Strategy, Improvement and Communications	145,770	145,638	(132)	Y
Minor variance from budget at Period 9					
Programme Management	Leader, Policy and Strategy, Improvement and Communications	16,960	14,610	(2,350)	Y
Minor variance from budget at Period 9					

CORPORATE BUDGETS	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	(22,758,300)	(23,161,829)	(403,529)	Y

Corporate Budgets	Finance, Corporate Resources and Communities	(22,758,300)	(23,161,829)	(403,529)	Y
Assumed £2.303m of Organisation Wide TOM savings are unachieved, and £0.214m unachieved PFI savings, in year pressure from external audit fees of £0.127m offset by combined savings of (£0.031m) against non-distributable costs and corporate subscriptions, (£1.783m) from interest receivable and payable, MRP one off savings of (£0.592m), and (£0.572m) capital receipts set aside saving (one-off) for 23/24.					

APPENDIX 1C

2023/24 PROJECTED REVENUE OUTTURN BY PORTFOLIO HOLDER

Portfolio Holder	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Portfolio Holder Adult Social Care, Public Health and Communities	127,426	132,105	4,679
Portfolio Holder Children and Education	70,699	73,974	3,275
Deputy Leader and Portfolio Holder Climate Change, Environment and Transport	35,911	38,028	2,117
Portfolio Holder Finance and Corporate Resources	(20,814)	(18,174)	2,640
Portfolio Holder Housing and Assets	6,632	8,417	1,785
Portfolio Holder Planning and Regulatory Services	6,802	6,998	196
Portfolio Holder Highways and Infrastructure	17,669	17,040	(629)
Portfolio Holder Growth and Regeneration	1,427	1,480	53
Portfolio Holder Culture and Digital	9,373	9,157	(215)
Leader and Portfolio Holder Policy and Strategy, Improvement and Communications	789	847	58
Total	255,914	269,872	13,959

APPENDIX 2

2023/24 INCOME PROJECTIONS Specific Government Grants

The revised revenue budget for 2023/24 includes specific Government Grants of £267.686m. The majority of these budgets will be based on known allocations that the Government has announced for Shropshire Council. However during the course of the financial year, the Council will also bid for additional grant funding to support activities and so the value of Government Grants received in the financial year may be different to the budgeted figure. An analysis of specific Government Grants is provided in the table below:

Government Grants	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
People			
Dedicated Schools Grant	(110,599)	(110,599)	0
Pupil Premium Grant	(7,186)	(7,186)	0
Improved Better Care Fund	(1,967)	(1,967)	0
Asylum Seekers	(2,042)	(2,903)	(861)
Adult Social Care Discharge Fund	(1,663)	(3,783)	(2,120)
Other Grants ³	(6,516)	(7,074)	(558)
Total People Grants	(129,973)	(133,512)	(3,539)
Place			
Waste - PFI	(3,186)	(3,186)	0
Homes for Ukraine	(1,376)	(2,451)	(1,075)
Other Grants	(3,714)	(7,310)	(3,606)
Total Place Grants	(8,266)	(12,947)	(4,681)
Health and Wellbeing			
Public Health Grant	(13,192)	(13,192)	0
Other Grants ⁴	(216)	(1,821)	(1,605)
Total Health and Wellbeing Grants	(13,408)	(15,013)	(1,605)
Resources			
Mandatory Rent Allowances: Subsidy	(38,000)	(37,659)	341
Rent Rebates: Subsidy	(7,902)	(7,902)	0
Other Grants	(815)	(967)	152
Total Resources Grants	(46,717)	(46,528)	189
Strategic Management Board	0	0	0
Corporate Budgets			

³ This covers a range of smaller grants, including for example LTA Bus Recovery Funding (£1.083m), Holiday activities and food programme (£714k).

⁴ This includes Rough Sleeping (Drug and Alcohol Treatment) grant (£951k), Supplementary Substance Misuse Treatment & Recovery (£379k), and a range of other grants.

Government Grants	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Social Care Support Grant	(21,547)	(21,547)	0
Business Rate Retention Scheme – s31 Grants	(21,521)	(21,521)	0
Improved Better Care Fund	(9,896)	(9,896)	0
Rural Service Delivery Grant	(7,757)	(7,757)	0
Market Sustainability and Fair Cost Fund	(3,264)	(3,264)	0
Core Spending Power Services Grant	(2,066)	(2,066)	0
New Homes Bonus	(1,748)	(1,748)	0
Other Grants	(1,523)	(1,576)	(53)
Total Corporate Budgets	(69,322)	(69,375)	(53)
Total	(267,686)	(277,375)	(9,689)

Income from Fees and Charges

The forecast income from discretionary sales, fees and charges is showing a projected shortfall, mainly relating to trading and rental income within Commercial Services, and parking income within Highways and Transport. This has been partially offset by additional income within Learning and Skills, particularly in relation to Home to School transport, increased income within Registrars and increased ticket sales for Theatre Severn. Further work will be undertaken within the services with an income shortfall to generate additional income to offset these projected shortfalls, or expenditure will be reduced accordingly.

Fees and Charges Income	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
People			
Directorate Management	0	0	0
Adult Social Care Management	0	0	0
Adult Social Care Business Support & Development	(2,531)	(2,671)	(140)
Adult Social Care Provider Services	(224)	(202)	22
Adult Social Care Operations	(39)	(1)	38
Children's Social Care and Safeguarding	0	(1)	(1)
Children's Early Help, Partnerships and Commissioning	0	(3)	(3)
Learning and Skills	(1,477)	(2,217)	(740)
People Total	(4,271)	(5,095)	(824)
Place			
Directorate Management	0	0	0
Commercial Services	(15,647)	(15,080)	567
Economy and Place	(1,349)	(1,351)	(2)
Homes and Communities	(9,827)	(10,688)	(861)
Highways and Transport	(9,507)	(8,470)	1,037
Place Total	(36,330)	(35,589)	741
Health and Wellbeing			
Directorate Management	0	0	0
Public Health – Non Ringfenced	(120)	(80)	40

Fees and Charges Income	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Public Health - Ringfenced	(930)	(1,056)	(126)
Health and Wellbeing Total	(1,050)	(1,136)	(86)
Resources			
Directorate Management	0	0	0
Workforce and Improvement	(559)	(453)	106
Finance and Technology	(1,647)	(1,626)	21
Legal and Governance	(116)	(132)	(16)
Communications and Engagement	(170)	(94)	76
Pensions	(21)	(7)	14
Resources Total	(2,513)	(2,312)	201
Strategic Management Board	0	0	0
Corporate Budgets	0	0	0
Total	(44,164)	(44,132)	(32)

APPENDIX 3

DELIVERY OF 2023/24 SAVINGS PROPOSALS

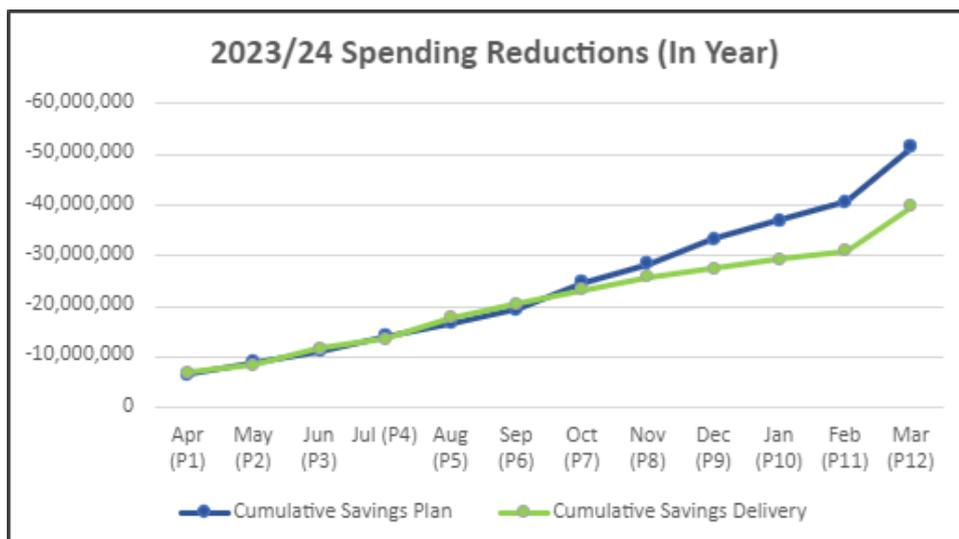
Summary

The savings projections for 2023/24 are being tracked monthly with savings delivery being mapped against projected delivery during the course of the year.

The table below summarises the position as at 31st December 2023. Delivered savings are those that are forecasted to be delivered by the end of the financial year.

Directorate	Delivered (£'000)	Savings still to be delivered (£'000)	Total (£'000)
People	(20,984)	(321)	(21,304)
Place	(12,391)	(4,551)	(16,942)
Health and Wellbeing	(653)	0	(653)
Resources	(3,070)	(2,957)	(6,027)
Corporate Budgets	(2,700)	(3,764)	(6,464)
Total Savings	(39,798)	(11,593)	(51,390)

The graph below plots the cumulative savings plan and cumulative savings delivery over the Financial Year.



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As per MTFS - 2 March 2023		2023/24 DELIVERY @ Q3				
Savings Reference	Description of Saving	Green - Achieved	Green - Will be achieved	Amber	Red	Total
POL05	Installation of battery units at Shirehall and Theatre Severn to store electricity generated from rooftop photovoltaic cell installations, to support reduced local energy use from the Grid and more locally generated energy, and to replace 'selling back' energy to the Grid.	0	-75,000	0	0	-75,000
POL06	Reduce small grant funding to local groups	-25,000	0	0	0	-25,000
POL07	Review of collection charges for bulky waste	-15,000	0	0	0	-15,000
POL08	Savings in the Museum Service	0	0	0	0	0
TOTAL Policy Choice - Place		-40,000	-75,000	0	0	-115,000
EFF44	Review PFI contract costs to secure greater efficiency	-958,500	0	-1,200,000	-2,127,740	-4,286,240
EFF101	Target Operating Model - staffing budget turnover and wastage increase by 5% (year-end review).	-59,420	0	0	-1,447,550	-1,506,970
EFF105	Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management	0	0	0	-595,230	-595,230
EFF18	Decreased use of B&B accommodation as temporary accommodation for 2022/23 (including associated costs) in view of current action to reduce or divert demand.	0	0	0	-344,000	-344,000
EFF51	Shopping Centres - Pride Hill and Riverside base budget reduced as not required once the demolition works begin. To be reinstated in 2026-27	-265,450	0	0	0	-265,450
EFF46	Increased charges for car parking including changes to permit schemes and some reduction in concessions.	-728,272	0	-1,271,728	0	-2,000,000
EFF60	Increased income generation by Register Office	0	-60,000	0	0	-60,000
EFF61	Registrars and Estates increased income	0	-25,000	-25,000	0	-50,000
EFF66	Increased income generation within Museums and Archives	-4,165	-5,835	0	0	-10,000
EFF45	Charge staffing costs to capital budgets where possible and appropriate (capital project support or transformation of revenue services).	-94,710	-1,924,600	0	0	-2,019,310
EFF49	Removal of budgets for vacant posts (avg. 3%)	-628,792	-190,058	0	0	-818,850
EFF48	Review application of grant funding.	-976,000	0	0	0	-976,000
EFF50	Fees and charges increased in line with cost inflation.	-231,594	-194,467	0	0	-426,060
EFF55	Revised service structure for Communities, Leisure and Tourism functions.	-105,000	0	0	0	-105,000
EFF17	Review of support contracts	-250,000	-96,620	0	0	-346,620
EFF58	Review of housing costs and attribution to general fund functions versus attribution to Housing Revenue Account.	0	-80,000	0	0	-80,000
EFF09	Removal of budgets for vacant posts (avg. 3%)	-85,461	8,441	0	0	-77,020
EFF28	Increase private sector housing fees	-80,207	-19,793	0	0	-100,000
EFF26	Use external grant funding to support staff costs	-71,824	-64,856	0	0	-136,680
EFF56	Revise Shire Services cleaning contracts to improve efficiency and reduce net costs.	-57,810	-42,190	0	0	-100,000
EFF59	Review of youth centres and other accommodation used for youth activities	-32,830	0	0	-36,470	-69,300
EFF64	Enhanced income through use of Planning Performance Agreements and increased fees	0	-25,000	0	0	-25,000
EFF36	Optimise Occupational Therapy service delivery by ending 'just checking' contract.	-15,000	-15,000	0	0	-30,000
EFF47	Once-only use of adverse weather reserves while other savings plans are put into place.	-1,561,000	0	0	0	-1,561,000
EFF52	Reshape Planning Services to become closer to cost neutral by 2025/26	-200,000	0	0	0	-200,000
EFF24	Review the Independent Living Service to ensure value for money.	-150,000	0	0	0	-150,000
EFF53	Public Health funding to increase health improvement benefits through leisure services.	-140,000	0	0	0	-140,000
EFF54	Repurposing unclaimed developer bonds.	-125,000	0	0	0	-125,000
EFF57	Increased efficiency in drainage maintenance operations	-100,000	0	0	0	-100,000
EFF33	Improve value for money of housing security provision	-74,000	0	0	0	-74,000
EFF62	Recovery of insurance costs (prev. agreed)	-30,000	0	0	0	-30,000
EFF63	Recovery of insurance costs (additional to EFF62)	-30,000	0	0	0	-30,000
EFF65	Enhanced income through the commercial activities in the Natural and Historic Environment Team.	-30,000	0	0	0	-30,000
EFF77	Change to staff charges to CDL/Cornovii (reduced charges to CDL, increased costs to the Council)	40,980	0	0	0	40,980
EFF67	Anticipated overage payments from planned Cornovii/CDL developments.	0	0	0	0	0
EFF68	Increased income generation within Theatre Services	0	0	0	0	0

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EFF69	One off use of building control reserve (in line with reserve use guidelines; target applied in 2022/23 budget but removed from 2024/25 onwards, hence negative value)	0	0	0	0	0
EFF70	Increased income generation within Libraries	0	0	0	0	0
EFF71	Self-issue software reducing library costs	0	0	0	0	0
EFF72	Increased income generation within Council-operated Leisure Centres	0	0	0	0	0
EFF73	Cost savings in leisure services	0	0	0	0	0
EFF74	Libraries - Implementation of changes under the Library Transformation Project	0	0	0	0	0
EFF75	Efficiency savings within Highways Operations	0	0	0	0	0
EFF76	Reduce horticultural contract costs.	0	0	0	0	0
TOTAL Efficiency - Place		-7,044,055	-2,734,977	-2,496,728	-4,550,990	-16,826,750
TOTAL SAVINGS - PLACE		-7,084,055	-2,809,977	-2,496,728	-4,550,990	-16,941,750
As per MTF5 - 2 March 2023						
Savings Reference	Description of Saving	Green - Achieved	Green - Will be achieved	Amber	Red	Total
POL01	Review the transport arrangements for SEND education placements to ensure efficient use of resources whilst providing appropriate support.	-100,000	0	0	0	-100,000
POL02	Consult on options to revise the contribution scheme for Post 16 applicants with SEND to ensure efficient use of resources.	0	0	0	0	0
POL03	Review the transport arrangements for placements at the Tuition Medical Behaviour Support Service to ensure efficient use of resources.	-202,000	0	0	0	-202,000
POL04	Consult on options to revise the Post 16 transport assistance scheme to ensure efficient use of resources.	0	0	0	0	0
TOTAL Policy Choice - People		-302,000	0	0	0	-302,000
EFF101	Target Operating Model - staffing budget turnover and wastage increase by 5% (year-end review).	-1,721,457	0	0	-717,453	-2,438,910
EFF10	Managing predicted growth	0	0	0	0	0
EFF11	Increase numbers of local foster carers to enable reductions in independent foster care costs (local foster carers, engaged by the Council, are less costly than independent foster carers)	-1,000,000	0	0	0	-1,000,000
EFF13	Reduce numbers of childcare placements in long-term residential placements, where appropriate ('Stepping Stones' project, implementing the proven North Yorkshire model of children's social care management).	-1,000,000	0	0	0	-1,000,000
EFF14	Prevent the need for residential care	-832,198	0	0	0	-832,198
EFF105	Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management	-682,540	0	0	-39,680	-722,220
EFF09	Removal of budgets for vacant posts (avg. 3%)	-1,222,930	0	0	-25,050	-1,247,980
EFF21	Review exceptionally high-cost children's residential care placements to identify the optimum care arrangements for each child, reflecting their changing levels of need.	-250,000	0	0	0	-250,000
EFF22	Review care at home model.	-240,437	0	0	0	-240,437
EFF23	Review the Council contribution to maintained school redundancy costs.	-180,000	0	0	0	-180,000
EFF30	Review funding arrangements across Learning and Skills to maximise the use of the Central School Services Block (CSSB) grant funding, in line with Government guidance, to rebalance the Council contribution to the service.	-86,180	0	0	0	-86,180
EFF34	Review service model to deliver wellbeing training and capacity building offer.	-66,610	0	0	0	-66,610
EFF37	Review the 'Enhance' contract	-21,000	0	0	0	-21,000
EFF07	Review care at home model	-3,059,563	0	0	0	-3,059,563
EFF12	Review supported living model	-1,000,000	0	0	0	-1,000,000
EFF20	Reduce transport costs through improved efficiencies	-25,600	0	0	-274,400	-300,000
EFF27	Review of arrangements for personal budgets	-110,000	0	0	0	-110,000
EFF35	Charge for sourcing care to self funders	-18,110	0	0	0	-18,110
EFF40	Contract review for supported living	-7,480	0	0	0	-7,480
EFF06	Expand and enhance reablement model to improve people's outcomes get better and to remain independent.	-4,869,750	0	0	0	-4,869,750
EFF08	Review client contributions in line with national guidance	-1,500,000	0	0	0	-1,500,000
EFF15	Deliver efficiencies across the ISF model	-500,000	0	0	0	-500,000
EFF19	Develop flexible support model to support people to remain at home	-325,000	0	0	0	-325,000
EFF25	Increase joint training opportunities.	-150,000	0	0	0	-150,000
EFF32	Review of Day Services model.	-75,000	0	0	0	-75,000
EFF41	Increase Fees and Charges relating to Day Services	-7,000	0	0	0	-7,000
EFF42	Remove use of external venues	-5,000	0	0	0	-5,000
EFF16	Improving public health to reduce social care costs	-500,000	0	0	0	-500,000
EFF29	Review the 'Enable' services budget	-88,000	0	0	0	-88,000
EFF31	Review grants (non-statutory)	-80,000	0	0	0	-80,000
EFF38	Review of Enable	-12,000	0	0	0	-12,000
EFF39	Review of care packages jointly funded with health services	-1,046,040	0	0	736,041	-310,000
EFF43	Reduce social care demand through family support and early interventions to prevent crisis.	0	0	0	0	0
TOTAL Efficiency - People		-20,681,897	0	0	-320,541	-21,002,438

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Additional Spending Reductions Identified to Offset Known Pressures in 2023/24		[Now shown in the table above]			
EFF06	Expand and enhance reablement model to improve people's outcomes get better and to remain independent.				
EFF07	Review care at home model				
EFF08	Review client contributions in line with national guidance				
EFF09	Removal of budgets for vacant posts (avg. 3%)				
EFF10	Managing predicted growth				
EFF35	Charge for sourcing care to self funders				
EFF39	Review of care packages jointly funded with health services				

TOTAL Efficiency - People	0	0	0	0	0
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TOTAL SAVINGS - PEOPLE	-20,983,897	0	0	-320,541	-21,304,438
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As per MTFS - 2 March 2023

Savings Reference	Description of Saving	Green - Achieved	Green - Will be achieved	Amber	Red	Total
EFF101	Target Operating Model - staffing budget turnover and wastage increase by 5% (year-end review).	-111,550	0	0	0	-111,550
EFF04	Review future model of pest control delivery	-40,000	0	0	0	-40,000
EFF01	Review application of grant funds	-218,930	0	0	0	-218,930
EFF02	Additional capacity to support transformation programme	-128,960	0	0	0	-128,960
EFF105	Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management	-87,310	0	0	0	-87,310
EFF03	Removal of budgets for vacant posts (avg. 3%)	-61,420	0	0	0	-61,420
EFF05	Reduce the cost by providing the minimum statutory duty for Public Health Funerals.	-5,000	0	0	0	-5,000

TOTAL Efficiency - Health & Wellbeing	-653,170	0	0	0	-653,170
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Savings Reference	Description of Saving	Green - Achieved	Green - Will be achieved	Amber	Red	Total
EFF78	Review of customer contact teams across the Council - Channel shifting to promote more streamlined and cost-efficient responses.	-112000	0	0	-1000000	-1,112,000
EFF79	Reduce housing benefit subsidy loss arising from use of expensive bed and breakfast accommodation (reverses budget growth from 2021/22 into 2022/23)	0	0	0	-1000000	-1,000,000
EFF101	Target Operating Model - staffing budget turnover and wastage increase by 5% (year-end review).	-942570	0	0	0	-942,570
EFF105	Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management	-7940	0	0	-587310	-595,250
EFF87	Operating Model - Digital County - Reduce/remove uneconomical Service Delivery	0	0	0	-100000	-100,000
EFF88	Review of single person discount and housing benefit applications against data warehouse to reduce error and fraud.	0	0	0	-100000	-100,000
EFF89	CCTV provision and management - Seek partner funding contributions	0	0	0	-75000	-75,000
EFF82	Legal and Governance restructure to include deletion of some vacant posts and the movement of others into transformation	-164850	0	0	-67000	-231,850
EFF86	Contract rebates and spending reductions	-101500	0	0	-28000	-129,500
EFF97	Additional 100% premium on vacant properties	0	0	0	0	0
EFF98	Additional 100% levy on second homes	0	0	0	0	0
EFF99	Income generation within Audit Services (target level in 2024/25 reduced from previously agreed level)	0	0	0	0	0
EFF81	New Operating Model - Charge staffing costs delivering transformation to capital budgets where possible and appropriate (Workforce and Improvement).	-645222	0	0	0	-645,222
EFF80	Removal of budgets for vacant posts (avg. 3%)	-717730	0	0	0	-717,730
EFF85	Income savings from 22/23 - 26/27 Capital Strategy (ICT Equipment Replacement Fund)	-130000	0	0	0	-130,000
EFF83	New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Legal and Democratic).	-57330	0	0	0	-57,330
EFF90	Review of ICT contracts to streamline supplier use	-50000	0	0	0	-50,000
EFF91	Full recovery of legal and other recovery costs for unpaid council tax and business rates	-46000	0	0	0	-46,000
EFF92	Review use of Customer Relationship Management system	-25000	0	0	0	-25,000
EFF93	Increase fees and charges in line with cost inflation	-21000	0	0	0	-21,000
EFF84	New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Finance and IT).	-20740	0	0	0	-20,740
EFF94	Reduce use of printers and copiers (Multi-Functional Devices - MFDs)	-12000	0	0	0	-12,000
EFF95	Complete migration to SharePoint document management and sharing software	-10000	0	0	0	-10,000
EFF96	SMS reminder - Debt recovery (council tax)	-6000	0	0	0	-6,000
0						
TOTAL SAVINGS - RESOURCES	-3,069,882	0	0	0	-2,957,310	-6,027,192

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EFF100	Review PFI contract costs to secure greater efficiency	0	0	0	-213,760	-213,760
EFF103	Target Operating Model - Transformation partner delivers 4 x end-to-end process reviews yielding £0.5m per project.	0	0	0	-2,000,000	-2,000,000
EFF104	Increase interest receivable budgets based on changing bank rates	-1,300,000	0	0	0	-1,300,000
EFF105	Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management	0	0	0	0	0
EFF106	Budget review – treasury investment returns.	-700,000	0	0	0	-700,000
EFF107	Contract Spend Analysis and Contract Management Review	-200,010	0	0	-49,990	-250,000
EFF108	Application of corporate grants		-500,000	0	-1,500,000	-2,000,000
TOTAL SAVINGS - CORPORATE		-2,200,010	-500,000	0	-3,763,750	-6,463,760

APPENDIX 4

RECONCILIATION OF MONITORING PROJECTIONS TO SAVINGS DELIVERY

Directorate / Service	Q3 Forecast Variance £'000	Savings Pressure in 2023/24 £'000	Ongoing Pressures Identified £'000	Additional Ongoing Savings Identified £'000	One Off Pressures Identified £'000	One off Savings Identified £'000
People						
Directorate Management	2,382	808	1,598	0	0	(23)
Adult Social Care Management	(393)	0	24	0	0	(416)
Adult Social Care Business Support & Development	(206)	0	179	0	14	(399)
Adult Social Care Provider Services	293	0	67	0	689	(463)
Adult Social Care Operations	2,603	(488)	14,055	0	4,646	(15,610)
Children's Social Care and Safeguarding	3,153	0	9,215	0	7,778	(13,841)
Children's Early Help, Partnerships and Commissioning	(256)	0	0	0	38	(294)
Learning and Skills	379	0	0	0	530	(151)
People Total	7,955	320	25,138	0	13,695	(31,198)
Place						
Directorate Management	1,408	1,455	0	0	13	(60)
Commercial Services	2,105	2,275	0	0	1,183	(1,351)
Economy and Place	471	103	0	0	570	(201)
Homes and Communities	189	542	642	0	872	(1,867)
Highways and Transport	(629)	175	0	0	0	0
Place Total	3,545	4,551	642	0	2,638	(4,238)
Health and Wellbeing						
Directorate Management	0	0	0	0	0	0
Public Health – Non Ringfenced	(12)	0	0	0	381	(393)
Public Health - Ringfenced	0	0	0	0	3,186	(3,186)
Health and Wellbeing Total	(12)	0	0	0	3,568	(3,580)
Resources						
Directorate Management	987	980	0	0	7	0
Workforce and Improvement	39	117	0	0	89	(166)
Finance and Technology	1,632	1,579	341	0	174	(462)
Legal and Governance	158	158	0	0	461	(486)
Communications and Engagement	60	123	0	0	54	(117)
Treasury and Pensions	0	0	0	0	0	0
Resources Total	2,877	2,957	341	0	810	(1,231)
Strategic Management Board						

Directorate / Service	Q3 Forecast Variance £'000	Savings Pressure in 2023/24 £'000	Ongoing Pressures Identified £'000	Additional Ongoing Savings Identified £'000	One Off Pressures Identified £'000	One off Savings Identified £'000
Chief Executive and PAs	0	0	0	0	0	0
Programme Management	(2)	0	0	0	0	(2)
Strategic Management Board Total	(2)	0	0	0	0	(2)
Corporate Budgets	(404)	3,764	0	0	134	(4,302)
TOTAL	13,959	11,591	26,121	0	20,845	(44,596)

APPENDIX 5

AMENDMENTS TO ORIGINAL BUDGET 2023/24

	Total	People	Place	Health & Wellbeing	Resources	Strategic Management Board	Corporate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Original Budget as Agreed by Council	255,914	200,478	77,124	2,038	3,827	39	(27,593)
Quarter 1 Structure Changes	0	(3,332)	(1,932)	(199)	(1,269)	105	6,627
Quarter 1 Virements	0	(85)	85	0	0	0	0
Quarter 2 Structure Changes	0	0	0	0	0	0	0
Quarter 2 Virements	0	450	(104)	0	(212)	5	(139)
Quarter 3							
Structure Changes:	0	0	0	0	0	0	0
Virements:							
Reallocating office space back to Corporate Landlord	0	(56)	56	0	0	0	0
Resolution of savings target	0	0	0	0	6	(6)	0
Pay Award 2023/24 allocation	0	660	522	39	410	19	(1,649)
Members Pay Award 2023/24 reallocation	0	0	0	0	2	0	(2)
Quarter 3 Revised Budget	255,914	198,117	75,750	1,878	2,764	163	(22,758)

APPENDIX 6

RESERVES 2023/24

General Fund

The General Fund reserve at 31st March 2023 stood at £7.093m, below the target level which is £15m-£30m as a minimum.

The 2023/24 budget strategy included a contribution of £19.868m to the General Fund balance which would then reach £26.961m.

It is essential that the Council retains the General Fund Balance in order to be able to mitigate any unforeseen shocks (such as ongoing inflationary increases, climate events such as flooding and drought, or rapid reductions in available resources due to changed national policy).

Independent advice is that General Fund un-earmarked reserves should equate to 5%-10% of net spending.

General Fund	£'000
Balance as at 1 st April	7,093
Budgeted Contribution	19,868
Budgeted Balance before impact of in-year monitoring position	26,961

During the course of the financial year it was agreed that a detailed review of earmarked reserves would be performed to release funding to the General Fund. This exercise has identified a potential £9.7m that can be released to the General Fund in 2023/24. As a result the available General Fund in 2023/24 is £36.7m. Management agreed that whilst the demand management plans for the Council progress to control the demand pressures experienced in Social Care, the General Fund Balance would be utilised directly to fund the demand pressures. Therefore £20.5m has been released to the revenue budget during Quarter 3.

General Fund	£'000
Budgeted Balance before impact of in-year monitoring position	26,961
Release of Earmarked Reserves	9,700
Available funds	36,661
Funding of Demand Pressures in Social Care	(20,500)
Balance before impact of in-year monitoring position	16,161

Earmarked Reserves

The Council held balances of £42.092m (excluding School Balances) in Earmarked Reserves as at 1st April 2023. There are a number of transactions planned from earmarked reserves during the course of the year. The current projections for the year end balance in earmarked reserves is detailed in the table below. The table includes the release of earmarked reserves to the General Fund Balance as outlined above.

Earmarked Reserves	1st April 2023 £'000	Forecast Net Contribution to/from Reserve £'000	31st March 2024 £'000
Sums set aside for major schemes, such as capital developments, or to fund major reorganisations	14,747	(4,842)	9,505
Insurance reserves	3,636	(2,495)	1,141
Reserves of trading and business units	0	0	0
Reserves retained for service departmental use	23,709	(13,045)	10,664
Reserves held for schools	10,487	0	10,487
Total	52,579	(20,382)	31,797

APPENDIX 7

PROJECTED CAPITAL PROGRAMME OUTTURN 2023/24 – 2025/26

The capital budget for 2023/24 is continuously being monitored and changed to reflect the nature of capital projects which can be profiled for delivery over several years. In Quarter 3 the capital budget for 2023/24 was subjected to a detailed review of the position of all projects and reprofiling where required into future years and this will continue in Quarter 4. In Quarter 3 there has been a net budget decrease of £10.495m for 2023/24, compared to position reported at Quarter 2 2023-24. The tables below summarise the overall movement, between that already approved and changes for Quarter 3.

Shropshire Council - Capital Programme 2023/24 - 2025/26

Capital Programme Summary - Quarter 3 2023/24

Directorate	Revised Budget Quarter 2 2023/24 £	Budget Virements Quarter 3 £	Revised Budget Quarter 3 2023/24 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2024/25 Revised Budget £	2025/26 Revised Budget £
General Fund										
Health & Wellbeing	0	0	0	0	0	0.00%	0	0	0	0
People	12,899,760	-2,344,236	10,555,524	4,942,101	5,613,423	46.82%	10,555,524	0	14,349,140	5,780,231
Place	79,894,604	-7,251,009	72,643,595	40,549,344	32,094,251	55.82%	72,643,595	0	114,977,328	39,724,736
Resources	1,042,361	-900,000	142,361	88,879	53,482	62.43%	142,361	0	900,000	0
Total General Fund	93,836,725	-10,495,245	83,341,480	45,580,324	37,761,156	54.69%	83,341,480	0	130,226,468	45,504,967
Housing Revenue Account	32,826,053	0	32,826,053	9,003,969	23,822,084	27.43%	32,826,053	0	17,124,384	12,708,431
Total Approved Budget	126,662,778	-10,495,245	116,167,533	54,584,292	61,583,241	46.99%	116,167,533	0	147,350,852	58,213,398

The main reductions in budget are as follows:

- Leisure – slippage of £1m in delivery of the Whitchurch Swimming and Fitness Centre
- Economic Development – slippage of £3m in delivery of the Oswestry Housing Infrastructure Fund scheme
- Corporate Landlord – slippage of £2m for delivery of Maesbury Solar Farm
- Schools unallocated – virement of £1.3m over to the new primary provision at Bowbrook, slippage of £0.750m for Bowbrook Primary, £0.500m relating to Devolved Formula Capital, £0.325m for Schools Future Place Planning, £0.250m for Haughmond School Scheme, £0.400m for other reprofiling relating to several schools.

The actual capital expenditure at Quarter 3 is £54.584m, which represents 46.99% of the revised capital budget at Quarter 3, 75% of the year. This is very low in comparison to the total revised budget, however, as previously noted, further budget reprofiling will be undertaken in Quarter 4, and this, alongside significant expenditure anticipated to be incurred in Quarter 4, will increase the percentage of actual capital expenditure compared to the revised capital budget. All budgets are fully allocated to projects and will be monitored for levels of spend throughout the remainder of the year. Based on recent years, the capital programme has out turned at around 85% of the outturn budget, which on average has been around 20% lower than the budget at this point in the year, due to further re-profiling later in the year.

The level of spend is slightly low across the programme in some areas, but equal to the level of spend in the previous year at this period. In terms of the major areas the spend position is as follows: People 46.82% (budget £10.556m), Place 55.82% (budget £72.644m) Resources 62.43% (budget £0.142m), HRA Major Repairs & New Build Programme 27.43% (budget £32.826m).

Shropshire Council - Capital Budget Monitoring Report Quarter 3 2023/24

Directorate Service Area	Revised Budget Quarter 2 2023/24 £	Budget Virements Quarter 3 £	Revised Budget Quarter 3 2023/24 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2024/25 Revised Budget £	2025/26 Revised Budget £
General Fund										
Health & Wellbeing	0	0	0	0	0	0.00%	0	0	0	0
Public Health Capital	0	0	0	0	0	0.00%	0	0	0	0
Regulatory Services Capital	0	0	0	0	0	0.00%	0	0	0	0
People	12,899,760	-2,344,236	10,555,524	4,942,101	5,613,423	46.82%	10,555,523	1	14,349,140	5,780,231
Adult Social Care Contracts & Provider Capital	0	0	0	0	0	0.00%	0	0	0	0
Adult Social Care Operations Capital	1,545,122	11,523	1,556,645	149,710	1,406,935	9.62%	1,556,645	0	300,000	0
Children's Residential Care Capital	393,125	-8,050	385,075	165,042	220,033	42.86%	385,075	0	300,000	0
Non Maintained Schools Capital	945,275	550,397	1,495,672	1,213,028	282,644	81.10%	1,495,672	0	2,750,000	0
Primary School Capital	6,352,375	676,531	7,028,906	3,163,374	3,865,532	45.01%	7,028,906	0	2,091,604	0
Secondary School Capital	724,211	-67,100	657,111	211,304	445,807	32.16%	657,111	0	0	0
Special Schools Capital	52,420	3,531	55,951	40,040	15,911	71.56%	55,951	0	0	0
Unallocated School Capital	2,887,232	-3,511,068	-623,836	-397	-623,439	0.06%	-623,836	0	8,907,536	5,780,231
Place Capital - Commercial Services	11,103,969	-2,282,661	8,821,308	3,167,140	5,654,168	35.90%	8,821,308	0	22,450,892	1,701,000
Corporate Landlord Capital	11,103,969	-2,282,661	8,821,308	3,167,140	5,654,168	35.90%	8,821,308	0	22,450,892	1,701,000
Place Capital - Economic Growth	11,709,200	-3,293,865	8,415,335	5,714,572	2,700,763	67.91%	8,415,335	0	15,082,580	4,371,738
Broadband Capital	1,611,088	0	1,611,088	1,403,373	207,715	87.11%	1,611,088	0	3,747,587	79,945
Development Management Capital	533,676	-4,352	529,324	223,969	305,355	42.31%	529,324	0	121,500	40,500
Economic Growth Capital	8,472,383	-2,822,040	5,650,343	3,737,012	1,913,331	66.14%	5,650,343	0	10,746,020	4,251,293
Planning Policy Capital	1,092,053	-467,473	624,580	350,219	274,361	56.07%	624,580	0	467,473	0
Place Capital - Homes & Communities	4,138,121	-830,000	3,308,121	1,005,342	2,302,779	30.39%	3,308,121	0	7,564,498	2,090,998
Leisure Capital	3,773,508	-1,000,000	2,773,508	870,442	1,903,066	31.38%	2,773,508	0	7,269,718	2,067,303
Libraries Capital	118,475	0	118,475	25,529	92,946	21.55%	118,475	0	94,780	23,695
Outdoor Partnerships Capital	269,038	170,000	439,038	99,917	339,121	22.76%	439,038	0	200,000	0
Visitor Economy Capital	-22,900	0	-22,900	9,455	-32,355	-41.29%	-22,900	0	0	0
Place Capital - Infrastructure	41,539,339	-727,960	40,811,379	24,650,301	16,161,078	60.40%	40,811,379	0	62,426,363	27,412,000
Environment & Transport Capital	0	438,156	438,156	438,157	-1	100.00%	438,156	0	0	0
Highways Capital	41,539,339	-1,166,116	40,373,223	24,212,144	16,161,079	59.97%	40,373,223	0	62,101,363	27,412,000
Waste Capital	0	0	0	0	0	0.00%	0	0	325,000	0
Place Capital - Housing Services	11,403,975	-116,523	11,287,452	6,011,989	5,275,463	53.26%	11,287,452	0	7,452,995	4,149,000
Housing Services	11,403,975	-116,523	11,287,452	6,011,989	5,275,463	53.26%	11,287,452	0	7,452,995	4,149,000
Resources	1,042,361	-900,000	142,361	88,879	53,482	62.43%	142,361	0	900,000	0
ICT Digital Transformation - CRM Capital	576	0	576	83,379	-82,803	14475.50%	576	0	0	0
ICT Digital Transformation - ERP Capital	0	0	0	0	0	0.00%	0	0	0	0
ICT Digital Transformation - Infrastructure & Archit	0	0	0	0	0	0.00%	0	0	0	0
ICT Digital Transformation - Social Care Capital	0	0	0	5,500	-5,500	0.00%	0	0	0	0
ICT Digital Transformation - Unallocated Capital	1,041,785	-900,000	141,785	0	141,785	0.00%	141,785	0	900,000	0
Total General Fund	93,836,725	-10,495,245	83,341,480	45,580,324	37,761,156	54.69%	83,341,480	0	130,226,468	45,504,967
Housing Revenue Account	32,826,053	0	32,826,053	9,003,969	23,822,084	27.43%	32,826,053	0	17,124,384	12,708,431
HRA Dwellings Capital	32,826,053	0	32,826,053	9,003,969	23,822,084	27.43%	32,826,053	0	17,124,384	12,708,431
Total Approved Budget	126,662,778	-10,495,245	116,167,533	54,584,292	61,583,241	46.99%	116,167,533	0	147,350,852	58,213,398

APPENDIX 8

CAPITAL RECEIPTS

Capital receipts are a source of capital funding, often preferred to other sources which are focused on specific objectives (e.g. grants, match funding, developer contributions), or which bear a cost (e.g. external borrowing). They are also more flexible, as they can be used to fund costs such as service transformation.

The track record of the Council has demonstrated capability in realising capital receipts over a number of years. This is demonstrated in the table below. The table shows the value of capital receipts applied to the financing of the capital programme each year since 2017/18. The total value applied in that period is £63.5m. Realising capital receipts to that value has meant that borrowing has not needed to be used, for over 10 years. Since 2017/18, the cost of financing avoided by using capital receipts would now amount to an additional £3.174m of in-year Minimum Revenue Payment (MRP) charges to revenue budgets (which would increase the level of savings required). By applying capital receipts, the Council has avoided costs which would now be over £3m per year, and would have cost £12.1m across the period since 2017/18. Of course – this is only indicative, as actual borrowing costs may have been higher or lower than the assumed level of 5%.

capital receipts used in-year; cost model if borrowing had been applied (£000s)								
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	
2017/18	10,550	10,550	10,550	10,550	10,550	10,550	10,550	
2018/19	0	7,401	7,401	7,401	7,401	7,401	7,401	
2019/20	0	0	8,875	8,875	8,875	8,875	8,875	
2020/21	0	0	0	5,826	5,826	5,826	5,826	
2021/22	0	0	0	0	8,095	8,095	8,095	
2022/23	0	0	0	0	0	9,310	9,310	
2023/24	0	0	0	0	0	0	13,417	
	10,550	17,951	26,827	32,653	40,748	50,058	63,475	
MRP @ 5%	528	898	1,341	1,633	2,037	2,503	3,174	12,113

The planned level of financing to be supported by capital receipts based on the current capital programme is set out in the table below. It continues the trend seen since 2017/18 of seeking an average of £10m of capital receipts funding per year.

A further £43m of assets are currently being considered for disposal, and progressing this rapidly will be vital to the progress of the council in the coming year.

However, the pressures materialising for the 2024/25 budget and the pressure to secure investment to enable service transformation at scale (which may include service redesigns and staff redundancies as a result) will put pressure on capital receipts to be used for transformation purposes rather than as funding for the capital programme.

Transformation & Improvement Scrutiny 19th February 2024, Cabinet 21st February 2024: Finance Monitoring 2023/24-Quarter 3

	2023/24	2024/25	2025/26	2026/27
Corporate Resources Allocated in Capital Programme	12,675,711	15,876,462	5,952,293	1,600,000
Capital Programme Ring-fenced receipt requirements	1,224,248	16,555,333	18,371,005	-
Transformation activities	4,018,186	-	-	-
Total Commitments	17,918,146	32,431,795	24,323,298	1,600,000
Capital Receipts in hand/projected:				
Brought Forward in hand	17,465,369	12,965,717	- 18,906,078	- 43,164,376
Generated 2023/24 YTD	9,009,567	-	-	-
Projected - 'Green'	4,408,927	560,000	65,000	65,000
Total in hand/projected	30,883,863	13,525,717	- 18,841,078	- 43,099,376
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	- 12,965,717	18,906,078	43,164,376	44,699,376
Further Assets Being Considered for Disposal	1,468,300	27,468,715	7,463,000	7,000,750

APPENDIX 9

FINANCIAL MANAGEMENT INDICATORS

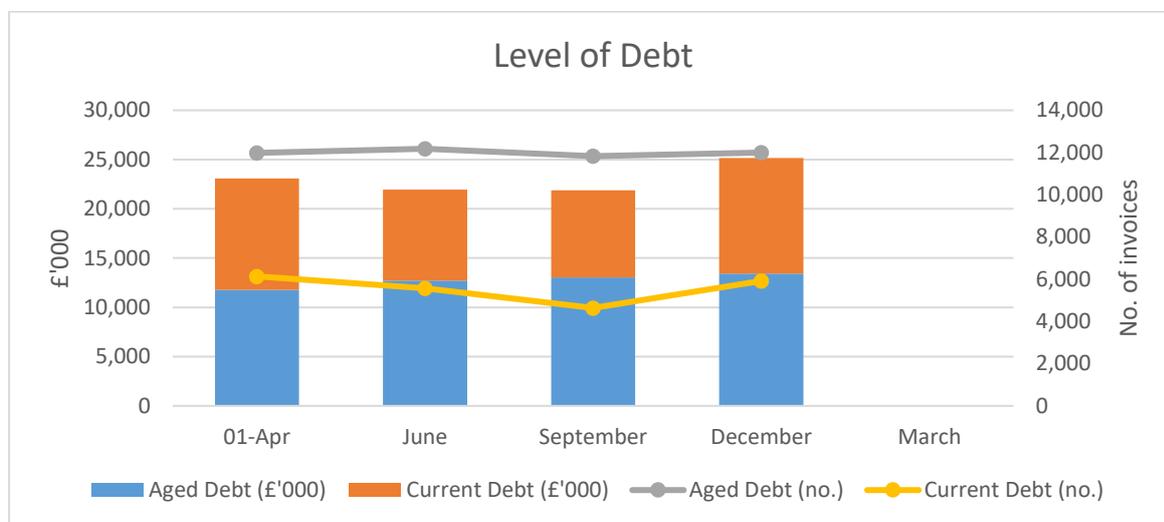
The two financial indicators detailed below will be tracked during the course of the financial year to provide assurance on the Council's financial management processes.

Payment of Invoices

April – December 2023	% of Invoices	No. of Invoices
Paid within 30 days	74.65	86,084
Invoices not paid within 30 days	25.35	29,237
Total	100.00	115,321

Aged debt

As at 31 st December 2023	Value (£'000)	No. of Invoices
Aged Debt	13,434	11,993
Current Debt	11,725	5,913
Total	25,159	17,906



The payment of invoices indicator demonstrates that the Council is paying 74% of invoices to suppliers within 30 days. This indicator has improved during the course of 2023/24 but is still not at the desired level. Ideally, invoices should be raised for payments due to the council within 30 days, and purchase orders for all new supplies should be raised ahead of delivery. Statistics on late submission of invoices and production of retrospective orders are produced for senior managers across the Council and they are being asked to tackle areas of late payment to improve performance around this.

The value of aged debt has increased marginally in both value and number of invoices. This does remain significantly high and the effects of cost of living are impacting on the level of debt held. Focussed action is being taken across the authority to improve debt recovery. The Council is also undertaking a review of the processes around aged debt recovery to try and minimise the level of debt raised and improve rates of direct debit take up to reduce debt arising.