

**Committee and Date**

Audit Committee
16th July 2025

Item

Public



Financial Outturn 2024/25

Responsible Officer:

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Cabinet Member (Portfolio Holder):

Roger Evans, Portfolio Holder Finance

1. Synopsis

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

2. Executive Summary

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

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

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

Directorate	Revised Budget (£'000)	Controllable Outturn (£'000)	(Under)/Overspend (£'000)	(Under)/Overspend (%)	RAGY Classification
Health & Wellbeing	5,992	5,503	(489)		Y
People	214,687	245,931	31,244		R
Place	51,651	66,722	15,071		R
Resources	3,782	8,463	4,681		R
Strategic Management Board	(23)	295	318		R
Service Delivery Budgets	276,089	326,914	50,825	18.4%	

Corporate	(14,392)	(30,987)	(16,595)		Y
Total Net Expenditure	261,697	295,927	34,230	13.1%	
Funded By:					
Council Tax	(205,104)	(205,104)			
Business Rates	(41,306)	(41,306)			
Top Up Grant	(10,925)	(10,925)			
Revenue Support Grant	(7,974)	(7,974)			
Collection Fund (Surplus)/Deficit	3,612	3,612)			
Total Funding	(261,697)	(261,697)			
Net Total Expenditure	0	34,230	34,230	13.1%	

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

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

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

3. Recommendations

- 3.1. It is recommended that Transformation and Improvement Overview and Scrutiny Committee Members:
 - a) Consider, with appropriate comment, this report and the recommendations made to Cabinet below.
- 3.2. It is recommended that Cabinet Members:

In respect of the revenue budget:

 - a) Note that the outturn for overall variance in the year is £34.230m above budget.
 - b) Note that the consequent level of the General Fund Balance is £4.823m.
 - c) Note the use of £7.726m of Earmarked Reserves and Provisions and the resulting level of earmarked reserves of £25.455m (£18.762m if the balances held by schools are excluded).
 - d) Note the £47.194m savings delivery achieved over the year
 - e) Note that the combination of earmarked and un-earmarked (General) reserves of £33.275m is below a level that would be regarded as appropriate, taking into account local circumstances. The MTFs sets out an agreed plan to restore these balances to safer levels.

In respect of ringfenced funding:

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

In respect of the capital programme:

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

3.3. It is recommended that Audit Committee Members:

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

Report

4. Risk Assessment and Opportunities Appraisal

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

4.4. Risk table

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

5. Financial Implications

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

6. Climate Change Appraisal

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

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

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

7. Background

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

8. Savings Delivery

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

9. General Fund Balance

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

10. Housing Revenue Account

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

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

11. Dedicated Schools Grant

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

12. Reserves and Provisions

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

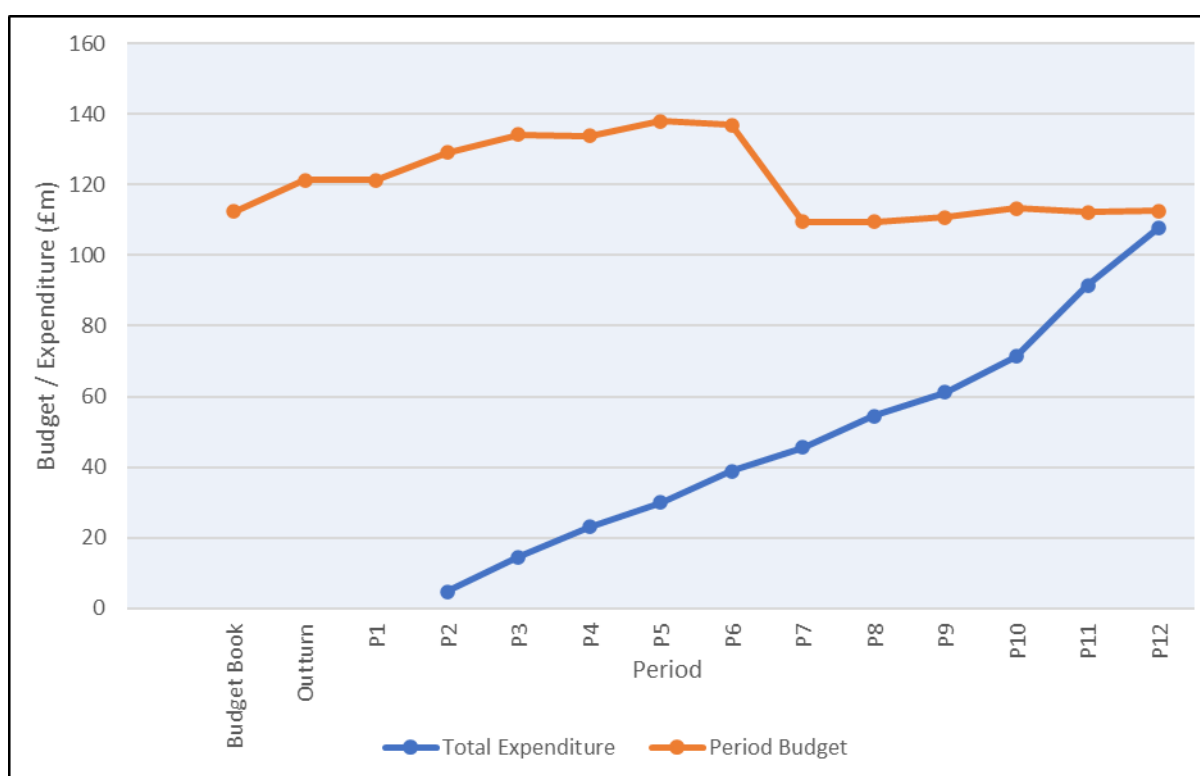
13. Original & Final Capital Programme for 2024/25

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

14. Capital Outturn Position and Financing

14.1. Outturn projections are incorporated into the capital monitor to enhance the monitoring information provided and allow the early identification where schemes are deviating from budget. Appendix 10 summarises the outturn position for 2024/25.

14.2. Total capital expenditure for 2024/25 was £107.820m, which equated to 95.7% of the re-profiled capital programme of £112.640m. The graph below shows actual expenditure by period and tracks the period-on-period changes to the budget.



- 14.3. There was a total variance of £4.819m between the revised Outturn Budget and the Outturn Expenditure. This underspend will be slipped to future years to facilitate completion of projects in delivery during in 2025-26 and beyond as required following a review of expected profiles. A summary of significant variances by directorate and service area are provided In Appendix 11.
- 14.4. Appendix 12 summarises the financing of the 2024/25 capital programme, changes made to Quarter 3 and to be approved to Quarter 4.
- 14.5. Within the financing of the Capital Programme £1.260m is funded from revenue contributions. The major areas of revenue contributions to capital are HRA house repurchases (£0.167m), essential repairs in relation to the Corporate Landlord estate (£0.386m), Highways schemes (£0.157m), Homes & Communities schemes (0.140m), Passenger Transport vehicles (£0.256m) and Schools revenue contributions to various capital schemes (0.154m).

15. Projected Future Capital Programme

- 15.1. The updated capital programme and the financing of the programme is summarised by year in Appendix 13.
- 15.2. The Corporate Resources financing line is the element of internal resources through capital receipts and corporately financed prudential borrowing required to finance the programme.. The Council continues to consider proposals for new schemes to invest in, with an emphasis on invest to save schemes and schemes that generate revenue savings as a result of either the generation of revenue income or the delivery of revenue savings.

16. Capital Receipts Position

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

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

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

Financial Rules

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

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

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

Local Member: All

Appendices

Appendix 1 – 2024/25 Budget Variations by Service

Appendix 2 – Movement in Projections Between Q3 and Outturn

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

Appendix 4 – Reconciliation of Monitoring Projections to Savings Delivery

Appendix 5 – Amendments to Original Budget

Appendix 6 – General Fund Balance

Appendix 7 – Housing Revenue Account

Appendix 8 – Reserves and Provision 2024/25

Appendix 9 – Revised Capital Programme

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

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

Appendix 12 – Revised Capital Programme Financing 2024/25

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

Appendix 14 – Projected Capital Receipts Position

Appendix 15 – Capital Programme Summary Outturn 2024/25

APPENDIX 1

2024/25 BUDGET VARIATIONS BY SERVICE

1.1 Summary

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

- Green - variance +/- 1% (or £0.05m if budget less than £5m)
- Amber - overspend between 1%-2% (or £0.05m-£0.1m if budget less than £5m)
- Red - variance over 2% (or £0.1m if budget less than £5m)
- Yellow - underspend more than 1% (or £0.05m if budget less than £5m)

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

1.2 Summary

Directorate Summary

Directorate Summary

Directorate			Budget	Outturn	Variance	RAGY
A1R009	CORPORATE BUDGETS		(14,391,730.00)	(30,986,352.34)	(16,594,622.34)	Y
A1R009: Corporate Budgets		Portfolio Holder	Budget	Outturn	Variance	RAGY
RSA057	Corporate Budgets	Finance, Corporate Resources and Communities	(14,391,730.00)	(30,986,352.34)	(16,594,622.34)	Y
• £10.560m Corporate MTFS savings targets yet to be delivered in base budget and offset by one-off arrangements set out below • £1.741m to fund a provision for known redundancy costs committed to in 2024/25 but to be incurred in 2025/26 • (£0.354m) various minor budget variations • (£0.428m) additional Levy Accounts Surplus distribution from government • (£0.686m) higher than expected returns from West Mercia Energy • (£0.701m) savings in Corporate transformation and invest to save budgets through the application of the in-year capitalisation direction 2024/25 • (£1.064m) equipment budgets decommitted during 2024/25 • (£1.940m) additional Section 31 grant for Business Rate Retention • (£4.250m) use of Financial Strategy Reserve • (£4.711m) additional income and savings through Treasury Management Activities including interest earned on loans provided to Cornovii during the year, reduced interest payable due to renegotiation of market loan terms • (£6.153m) staffing budgets contingency not committed during 2024/25, however this has been released in 2025/26 budget setting. • (£8.609m) use of Development Reserve						
Total A1R009: Corporate Budgets			(14,391,730.00)	(30,986,352.34)	(16,594,622.34)	

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

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

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

Directorate			Budget	Outturn	Variance	RAGY
RSA005	Adult Social Care Operations	Adult Social Care and Public Health	125,700,510.00	142,972,755.01	17,272,245.01	R
• Additional spend in purchasing of £13.534m The key elements of the purchasing spend are: £8.198m Supported Living spend £5.694m SPOT Purchasing spend for people transferred from Health to the Local Authority. - a number of disputed cases which were not resolved by the end of the year relating to CHC income. - continued pressure on long term older persons care due to the increased number of capital reductions. offset by (£0.320m) additional income from client deferred payment agreement. • £3.505m unachieved savings these are organisational savings relating to rightsizing the organisation and efficiency savings • £0.145m spend over budget on transport services						
RSA017	Shire Services	Housing and Assets	0.00	(217,008.20)	(217,008.20)	Y
• There was a £0.217m surplus in 2024/25 that has then been transferred to the general fund to partially repay Shire's Services deficit relating to previous years						
RSA018	Children's Social Care and Safeguarding	Children & Education	20,831,700.00	24,210,577.71	3,378,877.71	R
• £1.418m spend over budget on staffing across the Social Work Teams, largely relating to Agency Social Workers • £0.791m savings target unachievable relates to efficiency savings targets across the whole of Children's Social Care • £0.560m spend over budget relates to other costs such as transport recharges and taxi costs, childcare payments, parenting and medical assessments and interpreting fees. • £0.401m spend over budget relates to Disabled Children's budget area with £0.367m of the value explained by DCT prevention and Support payments • £0.270m "low value efficiencies" savings target was unachieved. • £0.137m spend over budget relates to Adoption Services. There was a £0.253m spend over budget on Adoption Allowances but this is partially offset by a spend under budget on Intra-Agency adoption placements. • (£0.022m) spend under budget relates to Leaving Care accommodation and allowances • (£0.175m) net under spend against budget on Public Law Outline support packages.						

Directorate			Budget	Outturn	Variance	RAGY
RSA019	Children's Early Help & Placements	Children & Education	41,357,160.00	47,316,911.90	5,959,751.90	R
• £6.227m spend over budget on External Residential Placements. £4.842m is explained by an increase in External Residential placements (28% increase between 31/3/24 and 31/3/25) leading to an increase in expenditure in 2024/25. The remaining £1.385m of this pressure relates to a shortfall in contributions from other partners towards joint funded social care led placements. • £2.189m spend over budget on Fostering. The majority relates to External Fostering (£1.643m), partly explained by a portion of £1m savings target which was not achieved on an ongoing basis in 2023/24. • £0.343m unachieved savings are organisational savings relating to rightsizing the organisation, third party spend and efficiency savings across the whole of Early Help. • £0.181m spend over budget on staffing across the Social Work Teams, largely relating to Agency Social Workers. • £0.067m spend over budget relates to other costs such as transport recharges and taxi costs, childcare payments, parenting and medical assessments and interpreting fees. • (£0.043m) net under spend against budget on Youth Support Team. • (£0.195m) spend under budget against Early Help staffing. The service implemented a new staffing structure from 1st June so staff turnover has been high and several posts have remained vacant as the service has restructured • (£0.725m) net under spend against budget on Internal Residential Placements. Expenditure of £0.618m relating to one of the Council's new children's homes has been capitalised during 2024/25 which explains the majority of the spend under budget. • (£0.830m) spend under budget against Early Help Non-staffing, including the maximisation of Supporting Families Grant • There is a credit of (£1.255m) relating to the capitalisation of posts as a one-off working on transformational projects (Stepping Stones Project).						
RSA021	Learning and Skills	Children & Education	18,214,790.00	21,662,935.67	3,448,145.67	R
• £3.749m spend over budget against Home to School Transport. £2.399m of this relates to SEND Transport where there has been a significant increase in the number of children with EHC Plans requiring transport. The remaining variance of £1.350m relates to mainstream transport and the Children's transport Fleet. • £0.134m spend over budget relates to the fully-traded Schools Library Service • (£0.058m) relating to the capitalisation of a post as a one-off working on transformational projects within Learning & Skills Business Support • (£0.061m) relating to maximising the use of grants to fund staff within Learning & Skills Business Support • (£0.068m) relating to the net spend under budget on the Academy Conversions budget • (£0.097m) one-off efficiencies across both staffing and non-staffing budgets within Learning & Skills Business Support. • (£0.151m) relating to maximising the use of grants to fund staff within Children-Looked-After Education (Virtual School).						

Directorate			Budget	Outturn	Variance	RAGY
RSA070	People Directorate Management	Adult Social Care and Public Health	(1,088,800.00)	2,879,714.48	3,968,514.48	R
£3.969m spend over budget relates largely to unachieved efficiency savings						
RSA075	Public Transport	Highways	7,168,080.00	5,351,315.67	(1,816,764.33)	Y
(£1.266m) Department for Transport Grants applied for the provision of Public Transport and contributions received towards Bus Services (within the boundary and Cross Boundary) (£0.551m) Savings achieved resulting from changes in the Concessionary Fares reimbursement model						
Total A1R010: People			214,686,560.00	245,930,829.49	31,244,269.49	

Directorate			Budget	Outturn	Variance	RAGY
A1R003	PLACE		51,651,350.00	66,721,730.23	15,070,380.23	R
A1R003: Place		Portfolio Holder	Budget	Outturn	Variance	RAGY
RSA004	Housing Services	Housing and Assets	4,205,260.00	3,719,589.78	(485,670.22)	Y
£0.442m Activity higher than budgeted for Temporary Accommodation (£0.701m) Additional Housing Benefit (one-off) income achieved (£0.207m) One-off saving on housing contracts (£0.035m) Low value efficiencies achieved						
RSA006	Bereavement Services	Planning and Regulatory Services	270,710.00	262,035.48	(8,674.52)	Y
Minor variance to budget						
RSA012	Assistant Director Commercial Services	Housing and Assets	(4,652,630.00)	87,504.39	4,740,134.39	R
Corporate MTFS targets not realised						
RSA013	Corporate Landlord, Property and Development	Housing and Assets	3,680,900.00	3,297,406.71	(383,493.29)	Y
- Overall savings achieved from a combination of increased income, reduced utility costs across the portfolio, offset by small increase in PFI costs. - Additional Savings in Property Services through service restructure & VR						

Directorate			Budget	Outturn	Variance	RAGY
RSA023	Director of Place	Housing and Assets	323,210.00	480,276.32	157,066.32	R
• Corporate MTFS targets not realised						
RSA024	Assistant Director Economy & Place	Growth and Regeneration	(708,920.00)	212,410.99	921,330.99	R
• Corporate MTFS targets not realised						
RSA026	Economic Growth	Growth and Regeneration	1,189,200.00	1,006,615.20	(182,584.80)	Y
• Additional project funding received						
RSA027	Broadband	Culture and Digital	150,330.00	41,278.20	(109,051.80)	Y
• Vacancy savings and project activity recharged to capital						
RSA028	Policy and Environment	Planning and Regulatory Services	1,780,590.00	1,817,571.27	36,981.27	G
• Minor Variance to budget						
RSA030	Culture, Leisure & Tourism Development	Culture and Digital	14,760.00	3,935.44	(10,824.56)	Y
• Minor variance to budget						
RSA031	Highways & Transport	Highways	10,112,770.00	13,510,260.35	3,397,490.35	R
• £1.624m contract savings not fully realised • £1.246m Winter Maintenance Reserve shortfall • £1.253m shortfall on Parking Income • £1.193m Borrowing Costs & Interest • (£1.029m) Streetworks additional Income • (£0.500m) transfer from Kier Pension reserve • (£0.393m) Street lighting Energy efficiencies • (£0.090m) Cross service savings						
RSA032	Shropshire Hills National Landscape	Culture and Digital	35,020.00	36,688.00	1,668.00	G
• Minor variance to budget						
RSA033	Outdoor Partnerships	Culture and Digital	1,156,650.00	1,083,533.34	(73,116.66)	Y
• Minor variance to budget						

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

Directorate			Budget	Outturn	Variance	RAGY
RSA064	Assistant Director Homes and Communities	Housing and Assets	(2,529,850.00)	159,161.89	2,689,011.89	R
£2.612m Corporate MTFS savings yet to be realised £0.077m Low value efficiencies unachieved						
RSA065	Housing Development and HRA	Housing and Assets	60,250.00	46,083.10	(14,166.90)	Y
Minor variance to budget						
Total A1R003: Place			51,651,350.00	66,721,730.23	15,070,380.23	

Directorate			Budget	Outturn	Variance	RAGY
A1R012	RESOURCES		3,781,910.00	8,462,606.06	4,680,696.06	R
A1R012: Resources		Portfolio Holder	Budget	Outturn	Variance	RAGY
RSA009	Registrars and Coroners	Planning and Regulatory Services	451,920.00	419,240.97	(32,679.03)	Y
Minor variance to budget.						
RSA042	Automation and Technology	Culture and Digital	152,210.00	(958,007.42)	(1,110,217.42)	Y
£1.000m savings not yet achieved in full relating to right sizing the organisation, third party spend, new operating model activity and income generation. A big proportion of these are offset against other variances as below to mitigate in-year. (£0.121m) additional income generated via postages (£0.442m) reduction across various IT contracts and income generation from IT trading (£0.743m) additional capitalisation of staff and transformational activity across the area. (£0.809m) Vacancy management across all Automation & Technology						
RSA045	Human Resources and Organisational Development	Finance, Corporate Resources and Communities	7,880.00	612,971.75	605,091.75	R
- Net savings relating to rightsizing the organisation under budget £0.732m - In year saving efficiencies across supplies and services budgets (£0.100m) - Income above expected budget in relation to ticket sales and fees and charges (£0.25m)						

Directorate			Budget	Outturn	Variance	RAGY
RSA047	Finance	Finance, Corporate Resources and Communities	2,155,420.00	3,928,031.13	1,772,611.13	R
• £2.883m savings not yet achieved in full relating to right sizing the organisation, third party spend, new operating model activity and income generation. A proportion of these are offset against other variances as below to mitigate in-year. • (£0.057m) other minor reductions in spend against supplies and services. • (£0.188m) additional capitalisation of staff and transformational activity across the area. • (£0.866m) Vacancy management across all finance teams.						
RSA050	Pensions	Finance, Corporate Resources and Communities	(12,890.00)	8,037.04	20,927.04	G
• Minor variance to budget.						
RSA051	Commissioning Development and Procurement	Finance, Corporate Resources and Communities	(22,060.00)	132,855.04	154,915.04	R
• £0.158m reduced income from the Matrix rebate due to transfer of service to OPUS which should deliver wider organisational savings						
RSA052	Risk Management	Finance, Corporate Resources and Communities	(30,130.00)	115,952.39	146,082.39	R
• £0.146m Risk management recharges less than budgeted						
RSA053	Democratic Services	Finance, Corporate Resources and Communities	(14,800.00)	(126,767.83)	(111,967.83)	Y
• Spend under budget from Members allowances (£0.112m)						
RSA054	Elections	Finance, Corporate Resources and Communities	592,330.00	603,106.60	10,776.60	G
• Minor variance to budget.						
RSA055	Legal Services	Finance, Corporate Resources and Communities	(59,070.00)	676,107.19	735,177.19	R
• £0.350m savings not met in relation to MTFS • £0.233m spend above budget on Legal Childcare Cases (Demand Led) • £0.068 additional legal/court fee expenditure linked to increased number of cases • £0.051m Staff Capitalisation realised against transformation projects less than budgeted. • £0.043m under budget for Professional Fees income						

Directorate			Budget	Outturn	Variance	RAGY
RSA066	Policy and Governance	Finance, Corporate Resources and Communities	(36,760.00)	(203,756.49)	(166,996.49)	Y
• Net vacancy management savings (£0.193m) • In-year pressures relating to supplies and services £0.036m						
RSA071	Resources Management Team	Finance, Corporate Resources and Communities	10,210.00	1,939,881.27	1,929,671.27	R
• £2.030m savings showing unachieved where budget is set against directorate, some of this is offset in service areas against savings in relation to service review implementation. • (£0.019m) one-off staff capitalisation through transformation projects. • (£0.030m) one-off reduction in spend against training across the directorate. • (£0.040m) income raised at year-end budgeted for in Finance & Technology.						
RSA072	Housing Benefits	Finance, Corporate Resources and Communities	511,630.00	1,151,283.96	639,653.96	R
• £0.640m net position across Housing Benefits due to unachieved saving relating to in-year HB subsidy loss. This position also includes £0.194m of Bad Debt Provision released during 24/25.						
RSA073	Scrutiny	Finance, Corporate Resources and Communities	83,720.00	232,042.19	148,322.19	R
• Vacancy management savings not achieved £0.100m and minor variance above staffing budget £0.048m.						
RSA074	Feedback and Insights	Finance, Corporate Resources and Communities	(7,700.00)	(68,371.73)	(60,671.73)	Y
• Minor variance to budget						
Total A1R012: Resources			3,781,910.00	8,462,606.06	4,680,696.06	

Directorate			Budget	Outturn	Variance	RAGY
A1R008	STRATEGIC MANAGEMENT BOARD		(22,540.00)	295,208.43	317,748.43	R
A1R008: Strategic Management Board		Portfolio Holder	Budget	Outturn	Variance	RAGY
RSA043	Communications	Leader, Policy and Strategy, Improvement and Communications	23,590.00	192,237.14	168,647.14	R
- Capitalisation of staff costs (£0.105m) £0.376m savings not achieved in relation to rightsizing and historic income savings targets offset partially by vacancy management (£0.141m)						
RSA056	Chief Executive & PAs	Leader, Policy and Strategy, Improvement and Communications	8,100.00	102,674.41	94,574.41	A
Minor variance to budget						
RSA059	Commercial Services Business Development	Housing and Assets	(46,880.00)	(21,252.60)	25,627.40	G
Minor variance to budget						
RSA067	Programme Management	Leader, Policy and Strategy, Improvement and Communications	157,770.00	348,110.92	190,340.92	R
£0.190m spend relating to Transformation that is not able to be capitalised						
RSA076	Customer Services	Leader, Policy and Strategy, Improvement and Communications	(165,120.00)	(326,561.44)	(161,441.44)	Y
- Unachieved savings of £0.334m £0.103m Lost SLA Income re changes to CCTV Service - Offset by vacancy management and the voluntary redundancy programme as a result of a service review (£0.455m) - Reduction in supplies and services across the area of (£0.135m)						
Total A1R008: Strategic Management Board			(22,540.00)	295,208.43	317,748.43	

APPENDIX 2**MOVEMENT IN PROJECTIONS BETWEEN P11 AND OUTTURN**

Directorate	P11 Controllable Variance £'000	Outturn Controllable Variance £'000	Movement £'000	Key Reasons for Movement
Health & Wellbeing	(250)	(489)	(238)	• £0.071m Planning services underachieved forecast income (though exceeded budget) • (£0.008m) Libraries favourable movement • (£0.026m) Business Intelligence favourable movement • (£0.132m) Regulatory services improvement through additional income • (£0.143m) Business & Consumer Protection improvement through additional income
People	16,100	31,244	15,144	ADULTS: • Purchasing additional spend £14.735m The variances above include the following identified pressures across all areas: - Transfer of clients from health to local authority funded - Several disputed cases relating to CHC income not yet resolved. - Increase in people in placements due to capital reductions from self-funders. - Supported Living transfers leading to increased provider costs and backdated costs. - Increase in complexity of cases. - Market Pressures - providers costs increased and backdated costs. - Winter Pressures - increase in demand over the winter months. The key elements of the purchasing spend are: -£5.851m Individual Service Funds (ISFs) transfers from Health to local authority -£3.537m Residential Care, £0.361m Nursing Care -£2.058m Supported Living increased complexity of cases and market pressures -£2.630m CHC Income shortfall -£0.315m Reablement expenditure -£0.101m increase in Direct Payments -(£0.121m) increased client contributions CHILDRENS: • £1.385m relates to a shortfall in contributions from other partners towards joint funded social care led placements. • £0.342m relates to an increase in spend on External Residential placements expenditure • £0.123m relates to an increase in DCT Prevention and Support payments • £0.063m relates to an increase in spend on 16-18 Supported Accommodation and allowances • £0.037m relates to an increase in spend on All-in-Programme Short Breaks within the DCT budget area • £0.030m relates to less grant and reserves funding applied within the Children-Looked-After UASC and Pathways Team • (£0.075m) relates to an increase in spend under budget against External Fostering placements • (£0.117m) relates to the use of Household Support Fund to fund a portion of accommodation and allowances expenditure within Leaving Care • (£0.304m) increase in spend under budget on Early Help non-staffing budgets including the increased use of Supporting Families Grant. £0.225m of this resulted from

				the use of capital to fund Parenting Assessment Team, freeing up an additional £0.225m of the Supporting Families Grant reserve to be used in Early Help Family Hubs instead • (£0.618m) relates to the use of capital to fund £0.618m revenue expenditure relating to one of the Council's new children's homes • £0.354m relates to an increase in spend over budget reported against Home to School Transport and £0.300m of this relates to funding contributions towards SEND Transport • (£0.147m) relating to maximising the use of grants to fund staff within Children-Looked-After Education (Virtual School) • (£0.190m) relates to an increase in spend under budget on statutory Concession Fares within Public Transport • (£0.374m) increase in spend under budget within Public Transport resulting from the use of Department for Transport Grants to support Bus Operators • (£0.110m) relates to an increase in in-year surplus relating to Shire Catering
Place	15,289	15,070	(219)	Growth & Infrastructure: • £0.865m shortfall of Highways staff capitalisation • £0.534m increase in Kier overhead apportionment (Revenue to Capital) • £0.163m shortfall on Permanent repair Gang capitalisation • £0.093m Corporate landlord Cost of disposal • £0.049m Kier Incentive payments • (£0.360m) Increase in rental income in relation to the Shopping Centre • (£0.168m) Shirehall backdated rent and Service Charges • (£0.171m) additional Housing Benefit and Student Accommodation rental income • (£0.060m) Staff savings recharge for management of Shopping Centres Homes & Communities: • (0.531m) Additional Waste contract savings (Energy Share) • (0.356m) Contract Savings & low-level efficiencies achieved across Housing • (0.293m) Additional one-off from government relating refugee resettlement.
Resources	5,136	4,681	(456)	• (£0.115m) additional capitalisation of staff working on transformation projects • (£0.121m) additional income generated via postages • (£0.226m) Additional income generated in IT • £0.039m Other minor variances across all areas
Strategic Management Board	560	318	(243)	• (£0.113m) additional capitalisation of staff working on transformation projects • (£0.083m) additional unbudgeted income, and reduction in final spend on supplies and services
Corporate Budgets	(2,947)	(16,595)	(13,647)	• (£10.059m) planned release of Finance Strategy Reserve and additional release of Development Reserve. • £1.741m provision for known redundancy costs committed to in 2024/25 but to be incurred in 2025/26 • (£0.428m) additional Levy Accounts Surplus distribution from government • (£1.064m) equipment budgets not committed during 2024/25 • (£1.923m) additional income through Treasury Management Activities including interest earned on loans provided to Cornovii during the year • (£1.940m) additional Section 31 grant for Business Rate Retention
Total	33,889	34,230	341	

APPENDIX 3**UPDATE ON DELIVERY OF 2024/25 SAVINGS PROPOSALS****Summary**

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

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

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

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

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

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

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

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

APPENDIX 4**RECONCILIATION OF OUTTURN POSITION TO SAVINGS DELIVERY AND PRESSURES IDENTIFIED**

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

APPENDIX 5**AMENDMENTS TO ORIGINAL BUDGET 2024/25**

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

APPENDIX 6

GENERAL FUND BALANCE

- 6.1 The General Fund reserve at 31st March 2024 stood at £8.237m, below the target level which is £15m-£30m as a minimum. The 2024/25 budget strategy included a contribution of £30.584m to the General Fund balance which would then reach £38.821m.
- 6.2 It is essential that the Council retains the General Fund Balance to be able to mitigate any unforeseen shocks (such as ongoing inflationary increases, climate events such as flooding and drought, or rapid reductions in available resources due to changed national policy). Independent advice is that General Fund un-earmarked reserves should equate to 5%- 10% of net spending.
- 6.3 The outturn of £34.230m has been identified during the year as a cost pressure against the General Fund.
- 6.4 In 2019/20 – 2023/24, the General Fund was used to offset Shire Services' deficit outturn position, as the Shire Services' earmarked reserve had been fully utilised in 2019/20. This use of the General Fund effectively represents a loan to Shire Services which must be repaid. Shire Services have delivered a surplus in 2024/25 of £0.217m, which can now be used to repay an element of the General Fund contribution. Therefore, the total loan now stands at £1.244m, and it is still intended that this will be repaid within a reasonable time frame.

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

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

APPENDIX 7**HOUSING REVENUE ACCOUNT 2024/25**

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

APPENDIX 8**EARMARKED RESERVES**

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

Movement in Reserves and Provisions 2024/25

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

Schedule of Earmarked Reserves and Provisions:

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2024/25 (£'000)	Income in 2024/25 (£'000)	Balance Carried Forward (£'000)
Reserves					
Sums set aside for major schemes, such as capital developments, or to fund major reorganisation					
Redundancy	Required to meet one-off costs arising from approved staffing reductions, allowing the full approved savings in salaries or wages to reach the revenue account.	2,000	-2,210	210	0
Revenue commitments for future capital expenditure	Comprises of underspends against budgeted revenue contributions available for capital schemes. The underspends have arisen due to slippage in capital schemes or because other funding streams were utilised during the year so as to maximise time limited grants.	3,199	-324	335	3,210
Development reserve	Required to fund development projects or training that will deliver efficiency savings.	5,696	-10,493	6,000	1,204
Invest to save reserve	Required to fund invest to save projects in order to deliver the service transformation programme.	1,379	-888	0	491
		12,274	-13,914	6,544	4,904
Insurance reserves					
Fire liability	Required to meet the cost of excesses on all council properties.	1,051	-385	173	838
Motor insurance	An internally operated self-insurance reserve to meet costs not covered by the council's motor insurance policy.	533	-28	106	611
		1,584	-414	280	1,450

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2024/25 (£'000)	Income in 2024/25 (£'000)	Balance Carried Forward (£'000)
Reserves of trading and business units					
Shire catering and cleaning efficiency	Built up from trading surpluses to invest in new initiatives, to meet exceptional unbudgeted costs or cover any trading deficits.	0	-2	2	0
		0	-2	2	0
Reserves retained for service departmental use					
Building control	Required to manage the position regarding building control charges.	311	-37	0	274
Care act & IBCF reserve	Required to fund the costs of implementing the care act requirements within the council. This will be committed to the costs of one off posts required to implement the changes and training costs for staff within adult services. Plus unspent IBCF monies required to fund the IBCF programme in future years.	1,022	-943	0	79
Economic development workshops major maintenance	Established to meet the costs of major maintenance of economic development workshops.	149	0	0	149
External fund reserve	Reserves held where the council is the administering body for trust funds or partnership working.	2,125	-495	94	1,723
Financial strategy reserve	Established specifically to provide one off funding for savings proposals in the financial strategy	0	-4,250	4,250	0
Highways development & innovation fund	Set aside funds for pump priming the development and innovation programme.	600	-500	0	100
New homes bonus	Established from unapplied new homes bonus grant balances.	834	-187	0	647
Public health reserve	This reserve includes balances committed to specific public health projects.	3,220	-843	741	3,118
Repairs & maintenance reserve	Set aside for known repairs and maintenance required to council owned properties.	246	-33	0	214
Resources efficiency	Established for investment in new developments, particularly information technology, that service area would not be expected to meet from their internal service level agreements for support services.	495	-89	188	593
Revenue commitments from unringfenced revenue grants	Established from unapplied unringfenced grant balances. Commitments have been made against these balances in 2024/25	3,341	-1,644	2,215	3,911
Severe weather	Required to meet unbudgeted costs arising from the damage caused by severe weather. The policy of the council is to budget for an average year's expenditure in the revenue accounts and transfer any underspend to the reserve or fund any overspend from the reserve.	315	-315	0	0
TMO vehicle replacement	Set up to meet the costs of replacement vehicles by the integrated transport unit.	37	0	0	37
		12,693	-9,336	7,487	10,844
School balances					

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

Delegated School Balances

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

Movement in delegated school balances 2024/25

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

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

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

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

APPENDIX 9**REVISED CAPITAL PROGRAMME**

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

APPENDIX 10**CAPITAL PROGRAMME OUTTURN POSITION BY DIRECTORATE 2024/25**

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

APPENDIX 11

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

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

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

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

Education

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

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

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

Place - Growth & Infrastructure

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

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX 12**REVISED CAPITAL PROGRAMME FINANCING 2024/25**

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

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

APPENDIX 13**CAPITAL PROGRAMME 2025/26 to 2027/28**

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

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

APPENDIX 14

PROJECTED CAPITAL RECEIPTS POSITION

The Council's capital programme is heavily reliant on the Council generating capital receipts to finance the capital programme. There is a high level of risk in these projections as they are subject to changes in property and land values, the actions of potential buyers and being granted planning permission on sites. A RAG analysis has been applied for capital receipts projected, based on the current likelihood of generating them by the end of each financial year. Those marked as green are highly likely to be completed by the end of the financial year, amber achievable but challenging and thus there is a risk of slippage, and red are highly unlikely to complete in year and thus there is a high risk of slippage. However, no receipts are guaranteed to complete in this financial year as there may be delays between exchanging contracts and completing.

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

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

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

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

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

further transformation programme commitments and the ongoing Voluntary Redundancy (VR) Programme initiated to achieve significant revenue budget savings. There is, therefore, the requirement to progress the disposals currently rated amber and red to ensure they are realised, together with realising the revenue running cost savings from some of the properties. Considerable work is required to realise these receipts, with generally a lead in time of at least 12 to 18 months on larger disposals. In addition to the current expenditure commitments, the programme will also grow as new schemes are approved. Officers are continuing to explore the potential to accelerate the realisation of capital receipts and to identify additional opportunities to achieve further capital receipts.

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

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

APPENDIX 15

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

Capital Programme Summary Outturn 2024/25

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

Shropshire Council - Capital Programme Budget Outturn Report 2024/25

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