



Committee and Date

Audit Committee

16 June 2011

10.00am

Item

**10**

Public

## REVENUE OUTTURN 2010/11

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### 1. Summary

1.1 This report provides details of the revenue outturn position for Shropshire Council for 2010/11 and provides a summary of:

- The revenue outturn for each Directorate with a commentary on the main variations.
- The movements in the Council's general balance.
- The Council's reserves and provisions.

### 2. Recommendations

2.1 Members are asked to:

- A. Note that the Outturn for the Revenue Budget for 2010/11 is an overspend of £517,640, this represents less than 0.1% of the original gross budget of £629,890,000.
- B. Note that the level of the general balance stands at £3,907,000 (2009/10 £2,875,000), which is within the Council's policy of ½% to 2% of the gross revenue budget.
- C. Note that the level of school balances stand at £6,239,000 (2009/10 £7,647,772).
- D. Reaffirm that overspends should be repaid to the General Fund Balance in 2011/12 as detailed in Appendix 5.

## REPORT

### 3. Risk Assessment and Opportunities Appraisal

- 3.1 Details of the potential risks affecting the balances and financial health of the authority are detailed within the report. Further analysis is provided at Appendix 8.

### 4. Financial Implications

- 4.1 This report is based on the financial outturn of the Council's budget for 2010/11 and therefore considers the effect that the overspend has on the Council's balances.

### 5. Background

- 5.1 Cabinet has received monthly monitoring reports on the revenue budget during the course of the year. This has meant that Directorates have identified problem areas as they have arisen and have been able to take the action necessary to deal with the issues arising.

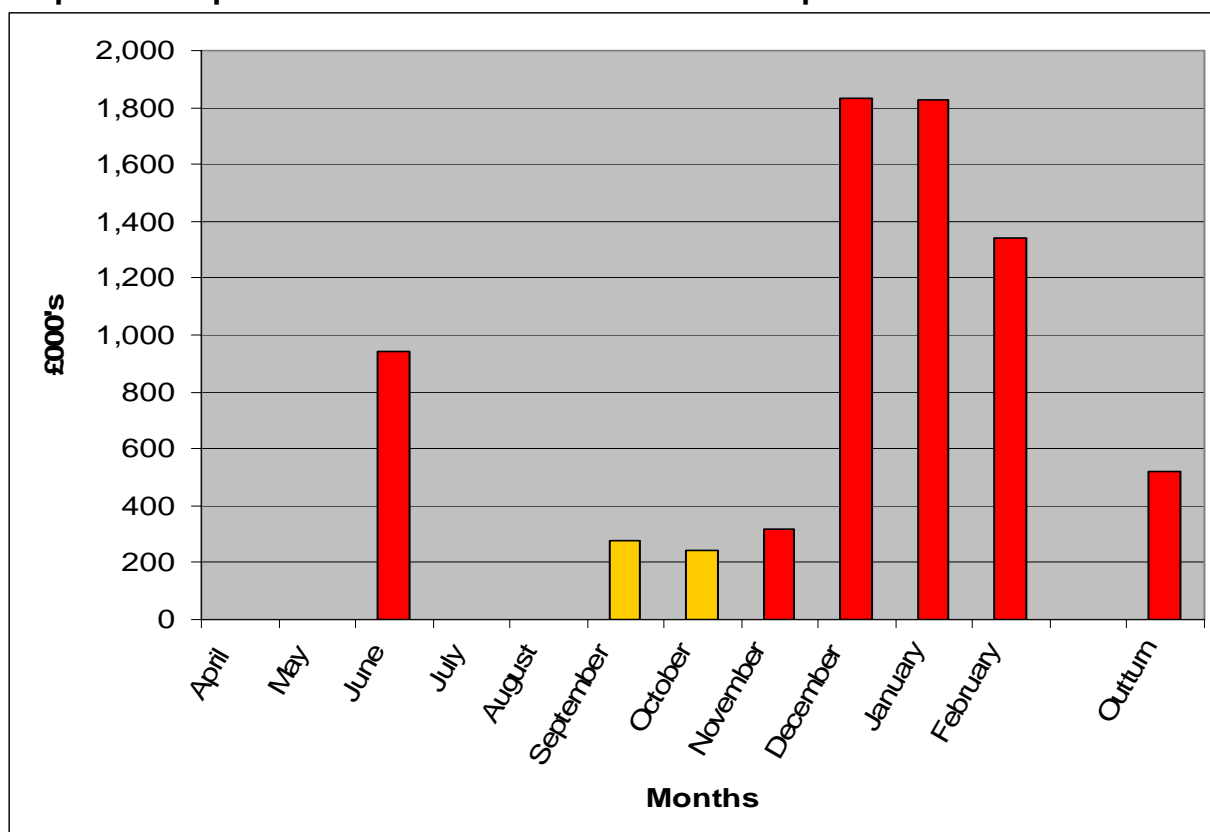
### 6. Overall Position

- 6.1 The final outturn for 2010/11 shows overall net revenue expenditure of £221,536,490 and an overspend of £517,640. The overall position for Directorates and Schools' balances, is detailed below:

	<b>Directorate Budgets £000</b>
Original Budget	221,699
Prior year overspend set against 2010/11 budget	(680)
<b>Budget available to spend in 2010/11</b>	<b>221,019</b>
<b>Outturn for 2010/11</b>	<b>221,537</b>
<b>Overspend to be repaid in 2011/12</b>	<b>518</b>

- 6.2 In summary, the overall position identified in the monitoring reports during the course of the year has been as follows:

**Graph 1: Shropshire Council 2010/11 Revenue Overspend**



6.3 Changes to the budget have occurred since it was set in February 2010 and are summarised in the table below. They consist of approved budget virements (reflecting Government grant reductions) and the addition of 2009/10 carry forwards. There have been some minor budget virements since Period 11, which are detailed in Appendix 4.

**Table 1: 2010/11 Original & Revised Net Budget Analysed by Directorate (£'000) (Appendix 7)**

	Original Net Budget	Approved Budget Virements	2009/10 Carry Forwards	Revised Net Budget
Children & Young People's Services	42,041	885	0	42,926
Community Services	78,292	466	(1,166)	77,592
Development Services	58,068	84	40	58,192
Resources	31,255	(1,614)	0	29,641
Chief Executive's Office	10,654	95	446	11,195
Legal & Democratic Services	1,389	84	0	1,473
<b>Total</b>	<b>221,699</b>	<b>0</b>	<b>(680)</b>	<b>221,019</b>

6.4 The 'variations' analysis distinguishes between overspends and underspends. The classification is:

- Overspends - Red (over +£301k), Amber (+£141k to +£300k),

- Acceptable - Green (range from +£140k to -£140k),
- Underspends - Blue (-£141k to -£300k), Yellow (over -£301k)

6.5 The main report will only comment on large variations (Red and Yellow items) which have arisen in 19% of the total budget areas, and appear in Tables 2 & 4. These areas will form part of the zero based budgeting exercise to be undertaken in 2011/12 to adjust inaccurate budgets.

**Table 2: RAGBY Classification of 2010/11 Directorate Budget Variations**

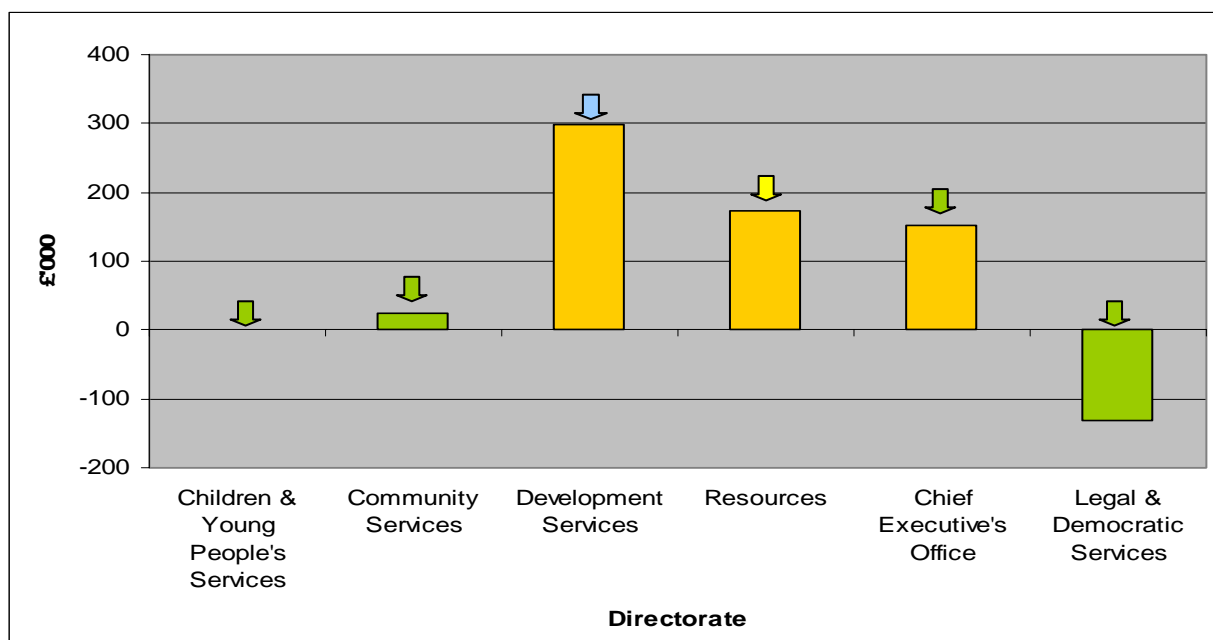
Directorate	Number of Budget Areas	Red	Amber	Green	Blue	Yellow
Children & Young People's Services	38	5	1	27	2	3
Community Services	4	1	0	2	0	1
Development Services	21	2	1	15	1	2
Resources	10	1	0	9	0	0
Chief Executive's Office	9	1	0	7	1	0
Legal & Democratic Services	6	0	0	6	0	0
General Fund Balance	1	0	0	0	0	1
<b>Total</b>	<b>89</b>	<b>10</b>	<b>2</b>	<b>66</b>	<b>4</b>	<b>7</b>

6.6 Further details of the 17 budget areas with large variations (Red and Yellow) are provided in paragraph 12.

6.7 The overspend of £517,640 for 2010/11 is presented below by Directorate in both table and graph form.

**Table 3: 2010/11 Projected Budget Variations Analysed by Directorate (£'000)**

Directorate	Revised Budget	Forecast Outturn	(Under) / Overspend	RAGBY Classification	Month 11 (Under)/ Overspend	Change
Children & Young People's Services	42,926	42,926	0	G	122	(122)
Community Services	77,592	77,617	25	G	153	(128)
Development Services	58,192	58,491	299	A	523	(224)
Resources (incl Shire Services)	29,641	29,815	174	A	507	(333)
Chief Executive's Office	11,195	11,347	152	A	162	(10)
Legal & Democratic Services	1,473	1,341	(132)	G	(128)	(4)
<b>TOTAL</b>	<b>221,019</b>	<b>221,537</b>	<b>518</b>		<b>1,339</b>	<b>(821)</b>

**Graph 2: 2010/11 Budget Variations at Outturn Analysed by Directorate**


- 6.8 To complete the analysis, Table 4 below sets out the position by category of spend/income. Third party payments and transfer payments are the largest overspending categories.

**Table 4: RAGBY Classification of Projected Budget Variations Analysed by Expenditure & Income Category (£'000)**









	Budget	Forecast Outturn	(Under)/Overspend	
<b>Expenditure</b>				
Employees	143,814	143,176	(638)	Y
Premises	14,257	14,387	130	G
Transport	18,296	19,330	1,034	R
Supplies and Services	54,082	57,472	3,390	R
Third Party Payments	114,229	121,916	7,687	R
Transfer Payments	75,064	93,448	18,384	R
Capital Financing	32,473	33,521	1,048	Y
Recharges	34,408	34,311	(97)	G
Other Provisions/Contingencies	297	(371)	(668)	Y
Appropriations to Reserves/Provisions	3,135	(410)	(3,545)	Y
Dedicated Schools Grant – Schools Expenditure	152,501	152,501	0	G
	<b>642,556</b>	<b>669,281</b>	<b>26,725</b>	
<b>Income</b>				
Dedicated Schools Grant – Schools	(152,501)	(152,501)	0	G
Grants	(155,027)	(168,955)	(13,928)	Y
Fees and Charges	(64,078)	(76,105)	(12,027)	Y
Rents	(7,868)	(8,251)	(383)	Y
Interest & Investment Income	(1,337)	(436)	901	R
Other Income	(877)	(980)	(103)	G
Recharges	(39,852)	(40,037)	(185)	B
Other Contingencies	3	(479)	(482)	Y
	<b>(421,537)</b>	<b>(447,744)</b>	<b>(26,207)</b>	

<b>Net Budget</b>	<b>221,019</b>	<b>221,537</b>	<b>518</b>	
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## 7. RAGBY Reporting and Other Issues

7.1 The Red and Yellow RAGBY issues that are the subject of corporate focus are:

### Business Area Reds

1. **Out of Authority, Maintained and Independent Schools' Placements (Appendix 2) - £411,000 overspend.**  The budget for out of authority placements was overspent by £454,000 in 2009/10, and additional in year placements have increased the pressure on this budget. Additional budget growth of £300,000 has been provided through the Dedicated Schools Grant to minimise the overspend.
2. **Home to School/College Transport (Appendix 2) - £413,000 overspend.**  Expenditure pressures continued at similar levels to 2009/10 which resulted in an overspend of £380,000. Savings through e-auctions and rationalisations have been utilised in order to manage costs.
3. **Early Retirement Contributions (Appendix 2) - £375,000 overspend.**  One off early retirement payments of staff within the directorate have resulted in costs of £452,000 of which £200,000 is available within the base budget. Early retirements of non teaching staff in schools and the directorate are estimated to generate one off costs of £62,000 in strain on the pension fund. Ongoing annual pension payments for prior year early retirements are also overspent by £60,000 due to higher number of former schools' staff receiving on-going enhanced pension payments.
4. **Children's Services – Commissioning and Social Work (Appendix 2) - £718,000 overspend.**  The overspend on Assessment and Care Management reflects the considerable difficulties in recruiting and retaining Stay Safe social work staff, and the measures taken to ensure that child protection risks are adequately covered. The main external contract has now been discontinued with recruitment to more cost effective internal social work vacancies having now been secured.
5. **Children Looked After (Appendix 2) - £489,000 overspend.**  The budget for external residential social care placements has overspent its budgets by £304,000. Foster care placements have also overspent by £210,000 due to the continued need to use more expensive independent foster care agencies.
6. **Adult Social Care (Appendix 2) - £492,000 overspend.**  The overspend arose due to top up charges that the council was required to pick up from residential or nursing placements when the service user's capital runs out. There has been a reduction in income from the PCT for continuing healthcare following reviews that have identified ineligible clients. The overspend has increased due to an increase in social care funded placements during the winter period. The Department of Health have announced additional funding for the NHS to cover the cost of winter pressures and £900,000 has been received from the PCT in recognition of the costs incurred.
7. **Severe Weather (Appendix 2) - £1,500,000 overspend.**  The level of turnouts of the winter maintenance gritting fleet as at the end of February was 100 compared to a budget of 45 turnouts resulting in an overspend of £1.5m for the year. The increase since Period 11 is due to the actual cost per turnout being determined once the stocktake of salt used had been completed at the year end.
8. **Parking and Transport Services (Appendix 2) - £497,000 overspend.**  The

effects of the slowdown on the economy are impacting on the level of fees generated in the County's car parks. Car park income has also been affected by the snow and the ice experienced in the period prior to Christmas and flooding in the last month, leading to the temporary closure of some car parks. The increase since Month 11 relates to the one off expenditure relating to implementing the new car parking strategy for April.

9. **Corporate Budgets (Appendix 2) - £421,000 overspend.** This overspend relates to office moves and refurbishments. The increase in the overspend is due to the costs of Shirehall redevelopment and removal costs for other office moves around the county in order to rationalise the accommodation held by the Council and reduce future costs.
10. **Human Resources and Development (Appendix 2) - £323,000 overspend.**  
 NEW This overspend has occurred due to consultant costs incurred in relation to the senior management restructure and the assessment process for Phase 1.

### Business Area Yellows

11. **School Specific Contingencies (Appendix 2) - £670,000 underspend.** This relates to arrears of prior years' overpaid rates on properties within the directorate, particularly secondary schools.
12. **CYPS Directorate Management & Administration (Appendix 2) - £335,000 underspend.** This relates to arrears of prior years' overpaid rates on properties within the directorate, particularly secondary schools.
13. **Provisions and Budget Funding Strategies (Appendix 2) - £955,000 underspend.** One off contributions from a number of prior years' grant accounts of £955,000 have been applied in order to reduce the net overspends within Children & Young People's Services.
14. **Community Services Business Support (Appendix 2) - £443,000 underspend.** Savings have been achieved through vacancies in business support due to the freeze on recruitment, and savings on broadband and property costs.
15. **Development Services Business Support (Appendix 2) - £668,000 underspend.** One off funds from the Directorate underspend in 2009/10 have been held back to cover pressures arising elsewhere in the budget.
16. **Development Services Staffing Savings (Appendix 2) - £789,000 underspend.** The Council's freeze on recruitment to vacant posts has generated a saving which has been used to offset pressures elsewhere within the budget.
17. **General Fund Balance (paragraphs 14) - £768,000 surplus.** This surplus is positive as it ensures that the Council's balances are not held at the minimum level allowed under the Council's policy.

### Subjective Area Reds

18. **Transport - £1,034,000 overspend.** The pressure on transport costs is predominantly due to pressures on the Home to School transport budget within Children & Young People's Services.
19. **Supplies and Services - £3,390,000 overspend.** The overspend relates to expenditure on externally funded projects within Community Services which is offset by an equivalent overachievement of income. There have also been additional costs for new IT servers and computer systems within Resources.
20. **Third Party Payments - £7,687,000 overspend.** Overspend has occurred due to shortfall in budget available against commitments for Adult Social Care funded care and the projection includes costs for clients that are no longer

eligible for Continuing Health Care that have transferred to the Council.

21. **Transfer Payments - £18,384,000 overspend.** This relates to Housing Benefit and Council Tax Benefit payments. The budget is based on the mid year estimate for the prior financial year, however any additional costs are offset by additional subsidy income detailed in the grants figure below. The increase since Period 11 relates to the correction of coding relating to Housing Benefit overpayment recoveries. The equivalent decrease is shown in Fees and Charges below.
22. **Interest & Investment Income - £901,000 overspend.** This is due to lower than budgeted interest receivable due to low interest rates. The increase since Period 11 relates to the correct categorisation of interest earned paid over to the Waste PFI contract.

### Subjective Area Yellows

23. **Employees - £638,000 underspend.** The vacancy freeze across the Council for non-essential posts has resulted in a significant underspend, however this has been partially offset by additional agency costs within Social Care & Safeguards and voluntary early retirement costs in Children & Young People's Services. The reduction reflects the correction of treatment for the general election expenses that were incurred last year, and have been funded by a reimbursement by the Government in income.
24. **Capital Financing - £1,048,000 underspend.** This is due to lower debt charges as a result of lower than budgeted borrowing for the capital programme. The underspend has increased due to the correct categorisation of interest earned paid over to the Waste PFI contract.
25. **Other Provisions/Contingencies - £668,000 underspend.** One off funds from the Development Services underspend in 2009/10 were held back to cover pressures arising elsewhere in the budget.
26. **Appropriations to Reserves/Provisions - £3,545,000 underspend.** This represents the contribution from balances during the year to offset the County Training loss within Community Services and also the release of other earmarked reserves to offset budgetary pressures in 2010/11.
27. **Grants - £13,928,000 over achievement.** This relates to additional subsidy income for Council Tax and Housing Benefits and an increase in funded nursing care contribution from the PCT. Grants that were carried forward from 2009/10 have now been utilised as well.
28. **Fees and Charges - £12,027,000 over achievement.** Additional income has been received in relation to Adult Social Care client income due to increased activity and within IT Services for Telecoms. This has been offset by reduced levels of income in Planning and Car Parking. The increase since period 11 relates to the correction of coding in Housing Benefits for recovery of overpayments as detailed above.
29. **Rents - £383,000 underspend.** Additional rent received within Community Services properties including leisure facilities and supported living accommodation.
30. **Other Contingencies - £482,000 underspend.** This relates to one off contributions from a number of prior years' grant accounts which have been applied in order to reduce the net overspends within Children & Young People's Services.

NEW

## 8. Pooled Budgets



- 8.1 The Community Services Directorate hosts a pooled budget arrangement with the Primary Care Trust for Intermediate Care Services. This pooled budget arrangement is drawn up under Section 256 of the 2006 National Health Services Act. These arrangements are included within the wider portfolio of Joint Commissioning in Shropshire.

The extent of the pooled budget is as follows:

Immediate Care: £1,246,975

- 8.2 An underspend of £37,400 has arisen for 2010/11. The underspend is split £20,300 PCT and £17,100 Shropshire Council.
- 8.3 It has been agreed that each authority will keep their underspend to offset other pressures in 2010/11. For Shropshire Council this underspend is already reflected in the figures quoted above.

## 9. General Fund Balance

- 9.1 The effect on the Council's Reserves is detailed below. The Council's policy on balances is to have a general fund balance (excluding schools balances) of between ½% and 2% of the gross revenue budget. For 2010/11 the minimum balance required is £3,139,440. The general fund balance as at 31<sup>st</sup> March 2011 is shown in Table 7 below:

**Table 7: General Fund Balance As At 31<sup>st</sup> March 2011 (£'000)**

General Fund Balances as at 31 March 2010		2,875
Approved contribution to General Fund Balance (approved Month 6)	235	
Contribution from Shropshire Waste Partnership General Reserve	1,400	
Release of Planning Inquiries Reserve	350	
Release of TMO Vehicle Reserve	484	
Additional Insurance Rebate – PFI Buildings	53	
Additional Area Based Grant	39	
Additional Performance Reward Grant	173	
Reduced contribution to the Insurance Reserves	198	
Transfer to offset County Training overspend	(1,158)	
Costs of Transformation Programme	(224)	
		1,550
		4,425
2010/11 Revenue Outturn		(518)
General Fund Balance at 31 March 2011		3,907

## 10. School Balances

10.1 The movement in schools' balances is as follows:

	2009/10	2010/11	Increase/ (Decrease)
	£000	£000	£000
<b>Schools:</b>			
- Revenue Balances	5,428	4,287	(1,141)
- Invested Balances	2,055	1,857	(198)
- Foundation Schools' external balances*	165	95	(70)
<b>Total</b>	<b>7,648</b>	<b>6,239</b>	<b>(1,409)</b>

\* Foundation Schools' 2010/11 external balances of £95k have been estimated.

10.2 Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion. The total balance of £6,239,000 represents 4.2% of Schools' delegated budgets, an analysis of this balance is provided in the table below:

School Balances	Balance at 1 April 2011	
	No.	£'000
<i>Primary Schools</i>		
In surplus	131	4,704
In deficit	2	(86)
<b>Sub Total</b>	<b>133</b>	<b>4,618</b>
<i>Secondary Schools</i>		
In surplus	16	2,735
In deficit	5	(1,675)
<b>Sub Total</b>	<b>21</b>	<b>1,060</b>
<i>Special Schools</i>		
In surplus	1	549
In deficit	1	(83)
<b>Sub Total</b>	<b>2</b>	<b>466</b>
<i>Foundation Schools</i>	1	95
<b>Total</b>	<b>157</b>	<b>6,239</b>

\* Foundation Schools' 2010/11 external balances of £95k have been estimated.

10.3 Following consultation with the school's forum and head teachers, these balances have been used to purchase IT equipment for schools, the cost of this equipment is then recharged to schools over the life of that equipment, effectively operating as an internal leasing arrangement. At the end of 2010/11 £209,000 of the £6,239,000 was being used in this way.

## 11. Reserves and Provisions (Appendix 6)

- 11.1 The Council has created a number of specific reserves and provisions to provide for known or anticipated future liabilities and to assist in protecting essential services. Earmarked reserves are balances held for specific items that will occur in the future. Provisions are held to meet expenses that will occur as a result of past events and where a reliable estimate can be made of the obligation.
- 11.2 The overall position for reserves and provisions is set out in the Statement of Accounts 2010/11, an extract from the Statement of Accounts is contained at Appendix 6. The overall change in revenue reserves and provisions is as follows:

<b>Balance of Reserves and Provisions</b>	<b>£000</b>
As at 31 March 2010	43,307
As at 31 March 2011	44,407
<b>Increase/(Decrease)</b>	<b>1,100</b>

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

Revenue & Capital Budget 2010/11

Financial Rules

Budget Monitoring For the First Quarter of 2010/11, Cabinet 15<sup>th</sup> September 2010

Revenue Monitor 2010/11 Month 6 (Sept 2010), Cabinet 10<sup>th</sup> November 2010

Revenue Monitor 2010/11 Month 7 (Oct 2010), Cabinet 22<sup>nd</sup> December 2010

Revenue Monitor 2010/11 Month 8 (Nov 2010), Cabinet 19<sup>th</sup> January 2011

Revenue Monitor 2010/11 Month 9 (Dec 2010), Cabinet 15<sup>th</sup> February 2011

Revenue Monitor 2010/11 Month 10 (Jan 2011), Cabinet 16<sup>th</sup> March 2011

Revenue Monitor 2010/11 Month 11 (Feb 2011), Cabinet 13<sup>th</sup> April 2011

#### **Cabinet Member**

All

#### **Local Member**

All

#### **Appendices**

App 1 – Budget Information in Detail

App 2 – Directorate Pressures and Actions

App 3 – Housing Revenue Account Budget Monitoring Statement

App 4 – Amendments to Original Budget

App 5 – Repayment of Revenue Overspends

App 6 – Reserves and Provisions



## Budget Information in Detail

	TOTAL actual				Children & Young People's Services			Community Services			Development Services			Resources			Chief Executive's Office			Legal & Democratic Services								
	Budget	Outturn	(Under)/ Overspend		Budget	Outturn	(Under)/ Overspend	Budget	Outturn	(Under)/ Overspend	Budget	Outturn	(Under)/ Overspend	Budget	Outturn	(Under)/ Overspend	Budget	Outturn	(Under)/ Overspend	Budget	Outturn	(Under)/ Overspend						
	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000					
<b>Expenditure</b>																												
Employees	143,814	143,176	-638	Y	34,275	36,050	1,775		46,105	45,585	-520		24,057	22,959	-1,098		26,283	25,454	-829		8,364	8,383	19		4,730	4,745	15	
Premises	14,257	14,387	130	G	1,853	1,313	-540		6,036	6,306	270		2,151	2,210	59		4,159	4,442	283		36	81	45		22	35	13	
Transport	18,296	19,330	1,034	R	11,462	12,243	781		3,988	3,935	-53		2,005	2,141	136		571	668	97		93	136	43		177	207	30	
Supplies and Services	54,082	57,472	3,390	R	10,305	10,082	-223		16,740	16,878	138		11,380	11,733	353		11,485	14,414	2,929		2,805	2,846	41		1,367	1,519	152	
Third Party Payments	114,229	121,916	7,687	R	26,319	26,739	420		61,008	66,139	5,131		25,530	27,027	1,497		666	907	241		706	1,104	398		0	0	0	
Transfer Payments	75,064	93,448	18,384	R	453	810	357		2,183	2,512	329		0	0	0		72,428	90,126	17,698		0	0	0		0	0	0	
Capital Financing	32,473	33,521	1,048	Y	0	310	310		11	1,684	1,673		8,431	8,454	23		24,031	23,073	-958		0	0	0		0	0	0	
Recharges	34,408	34,311	-97	G	10,693	10,536	-157		2,981	3,023	42		5,468	5,468	0		6,145	6,163	18		8,582	8,582	0		539	539	0	
Other Provisions/Contingencies	297	-371	-668	Y	0	0	0		0	0	0		297	-371	-668		0	0	0		0	0	0		0	0	0	
Appropriations to Reserves/Provisions	3,135	-410	-3,545	Y	0	0	0		0	-2,860	-2,860		2,178	2,178	0		957	420	-537		0	-275	-275		0	127	127	
Dedicated Schools Grant - Schools' Expenditure	152,501	152,501	0	G	152,501	152,501	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0	
	<b>642,556</b>	<b>669,281</b>	<b>26,725</b>		<b>247,861</b>	<b>250,584</b>	<b>2,723</b>		<b>139,052</b>	<b>143,202</b>	<b>4,150</b>		<b>81,497</b>	<b>81,799</b>	<b>302</b>		<b>146,725</b>	<b>165,667</b>	<b>18,942</b>		<b>20,586</b>	<b>20,857</b>	<b>271</b>		<b>6,835</b>	<b>7,172</b>	<b>337</b>	
<b>Income</b>																												
Dedicated Schools Grant - Schools	-152,501	-152,501	0	G	-152,501	-152,501	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0	
Grants	-155,027	-168,955	-13,928	Y	-41,563	-43,557	-1,994		-29,211	-31,514	-2,303		-8,166	-8,244	-78		-75,633	-85,090	-9,457		-454	-550	-96		0	0	0	
Fees and Charges	-64,078	-76,105	-12,027	Y	-2,937	-2,911	26		-30,138	-31,723	-1,585		-7,105	-6,893	212		-21,929	-32,117	-10,188		-1,328	-1,351	-23		-641	-1,110	-469	
Rents	-7,868	-8,251	-383	Y	-58	-103	-45		-1,001	-1,213	-212		-6,123	-6,203	-80		-686	-732	-46		0	0	0		0	0	0	
Interest & Investment Income	-1,337	-436	901	R	0	-29	-29		-5	-4	1		0	0	0		-1,332	-403	929		0	0	0		0	0	0	
Other Income	-877	-980	-103	G	-877	-980	-103		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0	
Recharges	-39,852	-40,037	-185	B	-7,002	-7,098	-96		-1,105	-1,131	-26		-1,911	-1,968	-57		-17,504	-17,510	-6		-7,609	-7,609	0		-4,721	-4,721	0	
Other Contingencies	3	-479	-482	Y	3	-479	-482		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0	
	<b>-421,537</b>	<b>-447,744</b>	<b>-26,207</b>		<b>-204,935</b>	<b>-207,658</b>	<b>-2,723</b>		<b>-61,460</b>	<b>-65,585</b>	<b>-4,125</b>		<b>-23,305</b>	<b>-23,308</b>	<b>-3</b>		<b>-117,084</b>	<b>-135,852</b>	<b>-18,768</b>		<b>-9,391</b>	<b>-9,510</b>	<b>-119</b>		<b>-5,362</b>	<b>-5,831</b>	<b>-469</b>	
<b>Net Budget</b>	<b>221,019</b>	<b>221,537</b>	<b>518</b>		<b>42,926</b>	<b>42,926</b>	<b>0</b>		<b>77,592</b>	<b>77,617</b>	<b>25</b>		<b>58,192</b>	<b>58,491</b>	<b>299</b>		<b>29,641</b>	<b>29,815</b>	<b>174</b>		<b>11,195</b>	<b>11,347</b>	<b>152</b>		<b>1,473</b>	<b>1,341</b>	<b>-132</b>	

## Directorate Pressures and Actions

Children & Young People's Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
<b>Directorate Total</b>	<b>42,926</b>	<b>42,926</b>	<b>0</b>	<b>0</b>	
<b>Schools Budgets – Central Expenditure Funded from Dedicated Schools Grant</b>					
<b>School Specific Contingencies</b>	134	(614)	(670)	(126)	<b>Y</b>
<p>There has been continued savings arising from the effect of successful rateable value appeals, undertaken by Property Services on behalf of the directorate. There are significant arrears of prior years' overpaid rates to be recovered, amounting to £673,000, particularly on a number of secondary schools. A budgeted contingency provision of £134,000 is contained within schools' related budgets for a combination of schools' formula funding data changes, and for unforeseen circumstances. Actual claims against this contingency have been modest, giving rise to an underspend of £75,000.</p>					
<b>Public and Union Duties/Maternity Leave/Supply Cover/Sickness</b>					
	455	455	0	441	<b>G</b>
Any variation in expenditure from budgeted provision is met from the Schools' Sickness Insurance Fund.					
<b>Miscellaneous</b>					
	106	88	(18)	82	<b>G</b>
Minor variation on a number of schools' related budgets.					
<b>School Meals</b>					
	1,762	1,786	24	1,817	<b>G</b>
An overspend of £101,000 on Free School Meals provision, due to additional numbers, has been largely offset by underspendings on other miscellaneous client managed budgets.					
<b>Early Years</b>					
	5,275	5,275	0	5,083	<b>G</b>

Children & Young People's Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Payments to Private, Voluntary and Independent providers of 3 and 4 year olds' nursery provision has exceeded budgeted provision in 2010/11 due to additional pupil days within the financial year, but this has been fully anticipated and provided for by a carry forward provision from the previous year.					
<b>Sure Start Children's Centres, Early Years and Childcare</b>	10,699	10,699	0	8,477	<b>G</b>
<b>Sure Start Children's Centres, Early Years and Childcare 100% government revenue grant</b>	(8,321)	(8,321)	0	(6,386)	<b>G</b>
<b>Extended Schools Area Based Grant and Standards Fund Grant</b>	(2,378)	(2,378)	0	(2,091)	<b>G</b>
All provision funded through 100% specific government grant has been fully expended according to the grant eligibility criteria, with some grant being used to support base budget provision savings requirements and the withdrawal of Area Based Grant within the financial year.					
<b>Special Educational Needs (SEN) Pupil</b>	667	506	(161)	444	<b>B</b>
Outturn expenditure is conditional on the numbers of pupils within the higher cost SEN Bands 6 to 8, with all funding devolved directly to schools. There has been an underspending due to movements of pupils and Bandings in-year, which has been used to support overspendings on other SEN funding devolved to schools.					
<b>Provision for Pupils with Statements</b>	1,022	1,169	147	1,020	<b>A</b>
Devolved funding to schools to provide for additional SEN pupils and requirements within year has exceeded budgeted provision, which has been offset by underspendings on the SEN Contingency.					
<b>Special Educational Needs Support Services</b>	965	952	(13)	925	<b>G</b>
Sensory Inclusion Services (SIS) managed and recharged under Joint Arrangements with Telford and Wrekin, has underspent by £13,000.					
<b>Multi Agency and Prevention</b>	298	298	0	275	<b>G</b>

Children & Young People's Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Expenditure can be managed to budget.					
<b>Other SEN tuition and support arrangements and initiatives</b>	735	672	(62)	733	<b>G</b>
New in-house provision of Services for Travelling Children has produced savings compared with the previous external contract with the West Midland Consortium for Travelling Children. LAC designated teacher funding has also provided savings as this was not fully required to deliver training programmes.					
<b>Education Otherwise than at School (EOTAS)</b>	1,717	1,717	0	1,675	<b>G</b>
Significant service pressures are being contained within budget provision by the use of a one-off managed underspend carried forward from last year.					
<b>Out of authority, maintained and independent schools' placements</b>	3,759	4,170	411	4,018	<b>R</b>
There was a net overspend in 2009/10 of £454,000 on out of authority education placements. There continue to be a number of individual cases which have been taken to tribunal, which has resulted in additional in-year costs. Against these pressures, additional budget growth of £300,000 was provided through limited headroom available through Dedicated Schools Grant allocations, as approved by Schools Forum. These variations, along with other placement cost variations, result in an estimated overspend of £411,000 in 2010/11. The priority action plan resulting from the Lean Service Review of Education and Social Care Placements includes a number of longer term strategies to address these overspendings.					
<b>Young People's Learning Agency</b>	(496)	(496)	0	(510)	<b>G</b>
Notified grant level anticipated.					
<b>Capital Related Expenditure</b>	574	574	0	502	<b>G</b>



Children & Young People's Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Expenditure is managed within budget in conjunction with Property Services					
<b>Local Authority Budgets</b>					
<b>School Improvement – Advisory Service</b>	2,098	2,093	(5)	2,133	<b>G</b>
There have been significant expenditure pressures on the Advisory Service, specifically through the in-year loss of Area Based Grant and from loss of budgeted income generation both within and outside the County. These pressures have been proactively managed through grant retention, which has resulted in a small in-year underspending.					
<b>Home to School/College Transport</b>	9,817	10,230	413	10,393	<b>R</b>
Expenditure pressures continued at similar levels to 2009/10, which ended with an outturn overspend of £380,000. There were 4 additional transport days within the 2010/11 financial year which has cost an extra £180,000. Set against this there have been significant savings arising from reviews, rationalisations and re-tender exercises managed through e-auctions - savings of £300,000 have already been secured for 2010/11. However, alongside other contract cost variations, the net overspend was £413,000. A range of strategies are being pursued to manage costs, but cost pressures continue to outstrip budget provision and efficiency savings on statutory home to school transport.					
<b>Early Retirement Contributions</b>	2,217	2,591	375	2,840	<b>R</b>
The on-going, annual pensions' payments for prior year early retirements are now exceeding base budget provision by £60,000. This is partly due to there being higher numbers of former schools' staff now receiving on-going enhanced pensions' payments. The annual national inflation increase has also exceeded base budget provision over the past two years. Early retirements of non teaching staff in schools and the directorate have generated £62,000 net strain on the pension fund one-off payments. One-off Early Retirement redundancy and lump sum costs in schools are estimated to cost £452,000, of which £200,000 is available from within this directorate base budget. The balance of expenditure in excess of budgeted provision is a charge to C&YPS, not the corporate Voluntary Early Retirement Reserve.					
<b>Youth Support</b>	4,522	4,522	0	4,867	<b>G</b>

Children & Young People's Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
<b>Connexions Service 100% government grant, allocated and monitored through Area Based Grant from 2008/09</b>	(1,762)	(1,762)	0	(2,216)	<b>G</b>
Youth Support, including Connexions Services, is managing expenditure within budget. In the short term some residual Connexions Legacy funding is supporting base budget provision, with a longer term strategy of service redesign and restructure to match provision to reducing funding levels.					
<b>Education Psychology Service</b>	592	587	(5)	575	<b>G</b>
This service is provided through a Joint Arrangement with Telford and Wrekin. There are existing expenditure pressures which will need to be managed through a review of service provision, but there has been a small net underspend in 2010/11.					
<b>Education Welfare Service</b>	503	481	(22)	498	<b>G</b>
Two staffing vacancies are currently being held to deliver savings to contribute towards overspendings elsewhere within the directorate.					
<b>Shropshire Music Service</b>	278	278	0	272	<b>G</b>
Expenditure can be managed within budget.					
<b>Outdoor Education Centres</b>	56	66	10	56	<b>G</b>
This service is provided through a Joint Arrangement with Telford and Wrekin. The budget pays for the residential costs of pupils from low income families through an agreed Remissions Policy, and expenditure is dependent upon numbers of such pupils. There has been an overspend due to additional pupils applying for remissions of residential fees.					
<b>Insurances</b>	64	64	0	17	<b>G</b>
Expenditure can be managed within budget.					
<b>Directorate Management and Administration:</b>					

Children & Young People's Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
<b>CYPS Directorate</b>	2,784	2,449	(335)	2,563	<b>Y</b>
<b>Corporate Services – Internal Market recharges</b>	3,237	3,237	0	3,236	<b>G</b>
Significant use of grant funding, vacancy management and good housekeeping measures are being used to enable savings to be recycled to offset overspends elsewhere within the directorate.					
<b>Provisions and budget funding strategies</b>	298	(657)	(955)	298	<b>Y</b>
One off contributions from a number of prior years' grant accounts, amounting to £955,000, have been applied to offset net overspendings across the directorate. These balances have been accrued by not applying various prior years' Area Based Grant, Standards Fund and Specific Grant in full, and instead using base budget activity to draw-down eligible grant. This is a one-off use of grant funding flexibility.					
<b>Dedicated Schools Grant – Central Expenditure</b>	(19,990)	(19,990)	0	(19,099)	<b>G</b>
Notified grant level anticipated.					
<b>NET SCHOOLS AND LOCAL AUTHORITY SERVICES</b>	<b>21,652</b>	<b>20,857</b>	<b>(795)</b>	<b>22,812</b>	
<b>Social Care &amp; Safeguards</b>					
<b>Children's Services - Commissioning and Social Work</b>	5,762	6,480	718	5,905	<b>R</b>
The overspending of £718,000 on Assessment and Care Management reflects the considerable difficulties in recruiting and retaining Stay Safe social work staff, and the measures taken to ensure that child protection risks are adequately covered. These measures include short term contracts with external providers for social worker teams to cover essential child protection casework. The main external contract has been discontinued from the end of September 2010, with recruitment to more cost effective internal social work vacancies having now been secured.					
<b>Children Looked After</b>	9,865	10,354	489	10,393	<b>R</b>

Children & Young People's Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
The budget for external residential social care placements was overspent by £976,000 in 2009/10, which has now been reduced to £304,000 for 2010/11. Foster Care placements have overspent by £210,000 due largely to the continued need to use more expensive independent foster care agencies. Internal placement budgets have been underspent by £25,000. The priority action plan resulting from the Lean Service Review of Education and Social Care Placements includes a number of longer term strategies to address these overspendings.					
<b>Children's Centres/Extended Schools</b>	0	(135)	(135)	0	<b>G</b>
One off application of £125,000 from Children's Centres grant and £10,000 from Extended Schools grant is being utilised to set against the continuing expenditure pressures on the Children Looked After budgets.					
<b>Family Support Services</b>	1,292	1,283	(10)	1,200	<b>G</b>
A small net underspending has occurred.					
<b>Other Children's and Family Services</b>	1,636	1,740	104	1,568	<b>G</b>
An overspending continues due to additional cases and costs of Supported Board and Lodging and fostering placements, needing to be provided for Children Leaving Care.					
<b>Youth Justice</b>	337	349	12	341	<b>G</b>
A small net overspend has occurred.					
<b>Support Services and Internal Market Recharges</b>	2,347	2,113	(234)	2,218	<b>B</b>
The underspend is due to £21,000 surplus one off Children's development Workforce Council grant income, which was to be used as backfill for teams with Newly Qualified Social Workers, £22,000 of Children's Fund grant being offered up as a saving, £84,000 of Think Family Grant and £107,000 of Short Breaks grant being applied against base budget spend.					
<b>TOTAL SOCIAL CARE AND SAFEGUARDS</b>	<b>21,239</b>	<b>22,184</b>	<b>945</b>	<b>21,625</b>	

## Directorate Pressures and Actions

Community Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
<b>Directorate Total</b>	<b>77,592</b>	<b>77,617</b>	<b>25</b>	<b>0</b>	
<b>Adult Social Care</b>	54,468	54,960	492	0	<b>R</b>
<p>There is a continuous demand for adult social care funding and this has been a pressure that the directorate has tried to manage over many years. One of the difficult areas of demand to manage is where an individual is already in a residential or nursing placement. This is because they will have been paying a high private rate and once their capital runs out they become the responsibility of the council. Negotiations with the homes in these cases is very difficult as there is no change to the clients care needs or room but the rate charged is much higher than the rate the council would normally pay. If there are no other options available the council pays the additional amount above our normal rates sometimes referred to as a top up. We have paid approximately £1.4m this year in top ups alone. We are working with Shropshire Partners In Care (SPIC) for homes to give much clearer information when a person arrives highlighting the councils limited liability in this area - whilst this will not impact on the immediate problem it will help in future.</p> <p>There is also pressure from clients who have been reviewed by the PCT and have been found to be ineligible for Continuing healthcare funding. The PCT agree the price for these placements which, due to the nature of the placements, tends to be higher than the councils standard rates. When the client becomes the council's responsibility it can be very difficult to renegotiate the price or move the client. Actions have been taken to ensure adult social care staff are fully involved with a clients assessment for CHC at the start of the process and all the way through to the PCT panel where the final decision is made.</p> <p>The overspend of £492k relates to Adults with Learning Disabilities and Physical Disabilities where there remain significant pressures on purchasing budgets going forward. The cost of a small increase in the number of care packages in these areas can have a disproportionate effect on overall costs.</p> <p>In order to bring the projected overspend down to £492k grants have been applied of £1.2m brought forward from 2009/10. Net vacancy savings of £491k are also included to bring the overspend down. The remaining overspend has been offset by underspend elsewhere in the directorate, and through a reduction in the reserve for bad debts.</p>					
<b>Culture, Leisure &amp; Learning</b>	11,426	11,414	(12)	0	<b>G</b>

Community Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
<p>The overspend of £1.135m on the County Training trading account following the loss of contracts last year and the knock on impact of staff redundancies has been funded from council reserves. An action plan has been developed to repay the contribution from council reserves by the end of 2012/13.</p> <p>The severe weather conditions in December had a significant impact upon most leisure facilities across Shropshire over the winter period resulting in a fall in expected income. Property Maintenance charges of £242k were higher than anticipated and, combined with the staffing re-structure within Leisure and resultant pay protection issues have resulted in an overspend of £480k. Managed underspends within Libraries, Museums and the Sports Development service have offset this overspend.</p>					
<b>Housing Services</b>	1,587	1,575	(12)	0	<b>G</b>
<p>The underspend on housing services will be used to offset the overspend on adult social care.</p>					
<b>Business Support</b>	10,111	9,668	(443)	0	<b>Y</b>
<p>Underspend due to vacancies as all posts within business support are classed as non essential. Also savings on broadband and some building costs. Underspend will offset the overspend on adult social care.</p>					

## Directorate Pressures and Actions

Development Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
<b>Directorate Total</b>	<b>58,192</b>	<b>58,491</b>	<b>299</b>	<b>57,621</b>	
<b>Highways Maintenance</b>	7,620	7,524	(96)	6,906	<b>G</b>
<p>Highways Maintenance over spent by £354,000 in 2009/10 and this has been removed from the 2010/11 budget as a carry forward allocation. An additional £448,000 has been removed from the budget as a result of the 2009/10 over spend on winter maintenance. All available resources have been fully allocated in accordance with the Highways Maintenance Plan, and in line with previous years practice expenditure has originally been over programmed against the budget. This will ensure the maximum use of resources when factors such as scheme slippage, weather conditions, unforeseen delays etc are taken into account.</p>					
<b>Severe Weather</b>	1,469	2,969	1,500	1,916	<b>R</b>
<p>In 2009/10 this budget over spent by £1,448,000 due to the severity of the winter weather. £1,000,000 was transferred to the Severe Weather Reserve, and the remaining £448,000 was removed from the 2010/11 Highways Maintenance budget as a carry forward allocation.</p> <p>There have been over 100 full turnouts of the winter maintenance gritting fleet, and the budget only has provision for an average of 45 turnouts in one year. The increase since Period 11 is due to the actual cost per turnout being determined once stocktakes of salt used being completed at the year end.</p>					
<b>Environmental Maintenance</b>	5,193	5,310	117	5,296	<b>G</b>
<p>The service currently spends approximately £1m on the running costs of vehicles required for its operations. A significant proportion of these costs relate to fuel, and recent increases in the price of Derv in particular have placed considerable pressure on these budgets. The function of Environmental Enforcement is part of this service, in particular the provision and maintenance of a county wide CCTV service. It is proving difficult to meet all of the demands of a fully staffed 24 hours a day CCTV service at a standardised level throughout the County.</p>					

Development Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
<b>Public Protection (County)</b>	1,366	1,167	(199)	1,343	<b>B</b>
A re-structuring of the service has generated savings in the non staff budget over and above those declared under vacancy management					
<b>Public Protection (Area)</b>	2,374	2,360	(14)	2,570	<b>G</b>
The level of fees expected this year is slightly less than budgeted, however this has been more than offset by savings in the non staff budget that have arisen from a re-structuring of the service earlier in the year.					
<b>Bereavement Services</b>	(184)	(135)	49	(230)	<b>G</b>
Prior to 2009/10 levels of activity and income had been fairly steady with only minor variations between years, however an increase in the death rate during the latter part of 2009/10 saw an increase in activity levels. Income this year is in line with previous years trends (2009/10 being the exception).					
<b>Waste Management</b>	22,850	22,768	(82)	22,694	<b>G</b>
Waste tonnages have been less than anticipated in the base model, however this has been offset by higher contractual inflation.					
<b>Economic Regeneration</b>	601	542	(59)	315	<b>G</b>
Rental yields from workshops are decreasing as occupancy levels fall and a number of tenants encounter difficulties in meeting their rent demands. The running costs of the Food Enterprise Centre in Shrewsbury continue to exceed current rental yields, however deliberate savings made elsewhere in the budget have enabled these costs to be more than offset. The subsidy required for the new centre should reduce as occupancy levels rise and the initial rent free period for new tenants comes to an end.					
<b>Parking and Transport Services</b>	(3,150)	(2,653)	497	(2,651)	<b>R</b>



Development Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
<p>The effects of the slowdown on the economy have impacted on the level of fees generated in the County's car parks. The shortfall against budget has been further compounded by severe spells of snow and ice, and flooding leading to the temporary closure of some car parks.</p> <p>The impact of the above has been offset to some extent by a number of successful rating appeals at several of the County's car parks; producing one off refunds dating back to 2005. However the implementation of the new parking strategy from April has required significant expenditure on new parking machines and equipment in car parks where no charges were previously made. This expenditure offsets some of the savings arising from rating appeals.</p>					
<b>Strategic Highways and Transport</b>	1,656	1,569	(87)	2,119	<b>G</b>
<p>A primarily staff based budget to commission the programme of works funded through the capital programme, revenue budget and external grant.</p>					
<b>Traffic &amp; Transport Studies</b>	257	206	(51)	268	<b>G</b>
<p>A primarily staff based budget that supports the delivery of Local Transport Plan objectives. Amongst these are School Travel Plans and the employment of dedicated officers to deliver on these. The employment of these officers is part funded by the receipt of Government Area Based Grant. Recent Government reductions to these grants have resulted in a loss of approximately £23,000. In 2010/11 it is possible to offset this loss of funding through the holding of a vacant post.</p> <p>A small under spend has arisen from savings in non staff budgets.</p>					
<b>Highways Development Control</b>	36	157	121	229	<b>G</b>
<p>Fees generated from inspection and checking on commercial developments have been affected by the economic situation and has resulted in a significant shortfall in income.</p>					
<b>Public Transport Client</b>	139	159	20	149	<b>G</b>

Development Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
There are no significant variances in this primarily staff based budget.					
<b>Road Safety &amp; Cyclist Training</b>	221	222	1	154	<b>G</b>
<p>The net revenue budget includes an income target of over £80,000, generated from road safety training courses operated by this section. During 2009/10 the section was unsuccessful in retaining the provision of the National Driver Improvement Scheme, resulting in a significant loss of income. To accommodate this, expenditure profiles have been revised to reflect the loss of income.</p> <p>Following the recent reductions in Area Based Grant, Shropshire's Road Safety Grant has been reduced by £343,000, of which £187,000 applied to revenue funding. To smooth out the effects of reductions in Area Based Grant the Council has made available some transitional funding, and £93,500 has been applied to the loss of Road Safety Grant. Negotiations with the Safer Roads Partnership have reached agreement on reducing the funding, and reprofiling of other areas of spend have brought expenditure in line with available funding.</p>					
<b>Passenger Transport</b>	4,980	4,980	0	4,844	<b>G</b>
<p>The cost of providing public transport continues to increase, as uncertainty over fuel prices and the slowdown in the economy impacts on tender prices received from operators and lower fares revenue from passengers. The economic downturn has reduced the number of passengers travelling which in turn reduces fare income and increases the liability of the Council.</p> <p>It is important to note that expenditure on concessionary fares is directly linked to the cost of providing public transport referred to above. Any increase in fares on the bus network, whether they be commercial or subsidised services have a significant impact on this budget.</p>					
<b>Transport Co-Ordination</b>	561	507	(54)	545	<b>G</b>
There are no significant variances in this primarily staff based budget.					
<b>Strategy &amp; Policy</b>	1,696	1,633	(63)	2,192	<b>G</b>

Development Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
A review of non pay budgets has identified savings, some of which will be utilised as part of the 2011/12 budget strategy.					
<b>Development Management</b>	954	1,190	236	1,261	<b>A</b>
The slowdown in the housing sector has had a significant effect on the level of fees generated from land charges.					
<b>Environment</b>	1,305	1,225	(80)	1,085	<b>G</b>
A small underspend is recorded arising from additional fee income					
<b>Business Support</b>	8,248	7,580	(668)	8,276	<b>Y</b>
One off funds from the Directorate underspend in 2009/10 are being held back to cover pressures arising elsewhere in the budget.					
<b>Staffing Savings associated with Recruitment Freeze</b>	0	(789)	(789)	0	<b>Y</b>
The Council's freeze on recruitment to vacant posts has generated a saving which will be used as above to offset pressures elsewhere within the budget.					

**Directorate Pressures and Actions**

Resources	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
<b>Directorate Total</b>	<b>29,641</b>	<b>29,815</b>	<b>174</b>	<b>2</b>	
<b>Accounting &amp; Budgeting</b>	0	(68)	(68)	47	<b>G</b>
Underspends due to vacant posts and maternity leave within the section are offsetting additional hardware costs for the finance system.					
<b>Audit and Consultancy</b>	0	(66)	(66)	7	<b>G</b>
Savings due to a vacant post which has been deleted as part of the 2011/12 savings proposals.					
<b>Exchequer Services</b>	2,694	2,667	(27)	(8)	<b>G</b>
Underspends on salary costs within Assessments are offsetting additional costs in Revenues and Benefits for system upgrades.					
<b>Treasury &amp; Pensions</b>	319	304	(15)	22	<b>G</b>
An overspend due to temporary posts required to assist with the upgrade of the ResourceLink system and costs associated with upgrades to the cash receipting system ICON has been offset by lower than budgeted training costs within Emergency Planning.					
<b>Property Services</b>	(252)	(222)	30	(66)	<b>G</b>
Overspend due to lower than budgeted income received for market tradings and lower than anticipated income within building services. This has been offset by lower running costs within Facilities Management and additional income within Smallholdings					
<b>ICT</b>	45	(56)	(101)	(10)	<b>G</b>
Underspend against staffing costs within IT Development due to staff secondments to other sections and higher than budgeted income generation with Telecoms.					

Resources	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
<b>Other Resources</b>	171	172	1	10	<b>G</b>
Minor variations.					
<b>Shire Services</b>	0	0	0	0	<b>G</b>
<p>The outturn position for 2010/11 is a surplus of £153,000 (Catering £7,000 deficit and Cleaning £160,000 surplus). This surplus has been transferred to an earmarked reserve.</p> <p>The surplus is as a result of lower than budgeted staff costs which is due in part to a number of cleaning posts that cannot be recruited to. The surplus is also due to the fact that although provision costs continue to rise across the board, these have been more than compensated for by an increase in income. This increase in income is as a result of a number of factors, such as an increase in meal price, a continued steady take up and the additional income received from the 5 new sites in Worcester. This has however be tempered by a reduction in income due to the removal of corporate hospitality taking place at the Shirehall.</p>					
<b>Corporate Budgets</b>	3,944	4,365	421	0	<b>R</b>
There is an overspend within Corporate Budgets relating to office moves and refurbishments in order to rationalise the accommodation held by the Council.					
<b>Treasury Management</b>	22,720	22,719	(1)	0	<b>G</b>
Interest received on cash balances has delivered an overspend of £372,000 due to the low interest rates being achieved on cash balances. This has been offset by lower than budgeted debt charges due to lower than budgeted borrowing for the capital programme.					

**Directorate Pressures and Actions**

Chief Executive's Office	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
<b>Directorate Total</b>	<b>11,195</b>	<b>11,347</b>	<b>152</b>	<b>(244)</b>	
<b>Chief Executive's Office</b>	7	53	46	140	<b>G</b>
Overspend due to additional training costs within the Corporate Development and additional employee related costs within Chief Executive's Office.					
<b>Corporate Management</b>	7,193	7,193	0	(20)	<b>G</b>
No projected variations.					
<b>Human Resources &amp; Development</b>	(5)	318	323	115	<b>R</b>
The majority of this overspend relates to consultant costs incurred in relation to the senior management restructure and the assessment process for Phase 1. Human Resources have also incurred additional staffing costs in relation to the restructure within the team that took place in April and higher than budgeted printing costs. These have been partially offset by additional income that has been received for a specific project for the PCT.					
<b>Corporate Performance &amp; Scrutiny</b>	24	(95)	(119)	(33)	<b>G</b>
Underspend due to vacant posts as a result of the re-structure and lower than budgeted spend against Corporate Plans.					
<b>Communications &amp; Corporate Policy</b>	(42)	44	86	87	<b>G</b>
Overspend due to a shortfall in income within the Print and Design Team.					
<b>Community Working</b>	1,742	1,719	(23)	(388)	<b>G</b>

Chief Executive's Office	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Underspend due to vacant posts which have been included in the 2011/12 savings proposals					
<b>Local Joint Committees</b>	1,257	1,257	0	(199)	<b>G</b>
Local Joint Committees have an underspend of £206,384 across the various committees which has been contributed to an earmarked reserve so that it can be released to the Committees in 2011/12.					
<b>Customer Access</b>	482	291	(191)	(70)	<b>B</b>
Underspend due to vacant posts within the Customer Service Centre and the Customer First Points.					
<b>Shropshire Partnership</b>	537	567	30	(95)	<b>G</b>
Overspend due to redundancy costs within Shropshire Partnership.					

**Directorate Pressures and Actions**

Legal & Democratic Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
<b>Directorate Total</b>	<b>1,473</b>	<b>1,341</b>	<b>(132)</b>	<b>(16)</b>	
<b>Legal Services</b>	82	18	(64)	(56)	<b>G</b>
Underspend due to vacant posts. The underspend has offset additional costs of counsel in relation to Child Care cases.					
<b>Democratic Services &amp; Committee</b>	632	612	(20)	(19)	<b>G</b>
Underspend due to vacant posts within Central Despatch and Committee Services, additional income in relation to the Euro elections and an underspend on canvassing within electoral registration.					
<b>Registrars</b>	344	254	(90)	(22)	<b>G</b>
Underspend due to higher than budgeted income projections.					
<b>Coroners</b>	410	454	44	81	<b>G</b>
Overspend due to additional temporary staffing costs and higher than budgeted medical expenses within the South Shropshire Coroners.					
<b>Subscriptions</b>	5	5	0	0	<b>G</b>
Minor variations.					
<b>Member Services</b>	0	(2)	(2)	0	<b>G</b>
Minor variations					



**2010/11 Housing Revenue Account**

<b>Outturn (pre Audit)</b>	<b>Budget £</b>	<b>Outturn £</b>	<b>Variance Adverse/ (Favourable) £</b>
<u>Income</u>			
Dwellings Rent	(13,771,410)	(13,763,011)	8,399
Garage Rent	(210,920)	(184,716)	26,204
Other Rent	(39,730)	(64,268)	(24,538)
Charges for Services	(180,070)	(165,770)	14,300
Supporting People	(547,920)	(547,911)	9
Subsidy Received - Major Repairs Allowance	(2,552,310)	(2,552,330)	(20)
<b>Total Income</b>	<b>(17,302,360)</b>	<b>(17,278,006)</b>	<b>24,354</b>
<u>Expenditure</u>			
Repairs & Maintenance	3,420,200	3,371,097	(49,103)
Supervision & Management - Special	970,250	956,328	(13,922)
Supervision & Management - General	2,486,680	2,539,793	53,113
Subsidy Payable Gross	7,321,550	7,307,702	(13,848)
Capital Charges - Dwelling Depreciation	2,552,310	2,552,310	0
Capital Charges - Depreciation Other	73,130	73,494	364
Capital Charges - Cost of Capital	61,430	65,117	3,687
Allowance for Decease Sole Occupier	4,440	5,878	1,438
Increase in Bad Debt Provision	40,000	48,400	8,400
Corporate & Democratic Core	407,920	407,920	0
<b>Total Expenditure</b>	<b>17,337,910</b>	<b>17,328,039</b>	<b>(9,871)</b>
<b>Net Cost of Services</b>	<b>35,550</b>	<b>50,033</b>	<b>14,483</b>
PWLB Premium amortised	68,580	68,580	1
Interest on Balances	(31,000)	(30,823)	177
<b>Net Operating Expenditure</b>	<b>73,130</b>	<b>87,791</b>	<b>14,661</b>
<u>Appropriations</u>			
Capital Financing Reserve	(73,130)	(73,494)	(364)
<b>Net Cost of Service</b>	<b>0</b>	<b>14,297</b>	<b>14,297</b>
<u>HRA Reserve</u>			
B/fwd 1 April	677,223	799,836	
Surplus/(Deficit) for year	0	(14,297)	
Carried Forward 31 March	677,223	785,539	

**Amendments to Original Budget**

	<b>Total</b>	<b>CYPS</b>	<b>Community Services</b>	<b>Development Services</b>	<b>Resources</b>	<b>Chief Exec's Office</b>	<b>Legal &amp; Democratic</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Original Budget as agreed by Council	221,699	42,041	78,292	58,068	31,255	10,654	1,389
Carry Forwards from 2009/10	-680	0	-1,166	40	0	446	0
In year Government Grant Reductions	0	850	86	244	-1,198	18	0
Management Changes:							
Member Development	0					-15	15
Customer Services/Library Staffing Transfer	0		18			-18	
IT Services/Library Staffing Transfer	0		23		-23		
Choice Based Lettings	0		100		-100		
Church Stretton Swimming Pool	0		27		-27		
Contribution to Shropshire Integrated Development Framework	0				-64	64	
OD/Members Development Staffing Transfer	0					-69	69
Safety Officers	0		-7			7	
LAA Budgets	0	35	191	-160	-141	75	
Records Management	0		25		-25		
Community Council	0		3		-3		
HR Graduate Staffing	0				-15	15	
SALC	0				-18	18	
<b>Amended Budget</b>	<b>221,019</b>	<b>42,926</b>	<b>77,592</b>	<b>58,192</b>	<b>29,641</b>	<b>11,195</b>	<b>1,473</b>

## Repayment of Revenue Overspends

### Background

The Revenue Monitoring Report for Period 10 detailed a process for dealing with revenue overspends which was approved by Cabinet on 16<sup>th</sup> March 2011. This process involved the 2010/11 overspends being recovered as a first call on the New Operating Model budgets in 2011/12.

### Implementation policy

Overspends from service areas are only recovered from New Operating Model budgets, when the directorate has incurred an overspend. The revenue outturn position shows that overspends have occurred in 3 directorates:

Development Services	£299,000	Consists of £1.5m relating to Severe Weather
Corporate Budgets	£421,000	Relates to Office Moves
Chief Executive's Office	£152,000	Consists of a £323,000 overspend within HR & Development
	£872,000	

### Implementation process

It is proposed that overspends are carried forward to the service areas identified above for recovery into 2011/12. Therefore these will be applied to the following NOM areas:

Area Directors	£299,000	This will be recovered from Highways, as is always the case.
Facilities Management	£421,000	This will be funded from a saving arising in debt charges in 2011/12 and additional savings within the Places budget as agreed with the Director.
Organisation Development	£152,000	A plan of recovery has been developed within HR including savings arising from IT system developments.
	£872,000	

Appendix 6

**Reserves and Provisions**

	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Expenditure in 2010/11 (£'000)</b>	<b>Income in 2010/11 (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
<b>Reserves</b>					
Advisory Service	Established from prior years' unapplied retained Standards Fund grant balances.	0	0	0	0
Area Based Grant	Established from unapplied Area Based Grant balances.	1,667	1,667	275	275
Building Maintenance	Established from an underspend within Property Services and slippage in the repairs and maintenance programme for council buildings.	0	0	0	0
Connexions Legacy	Established from the process of liquidating the old external Connexions Company with effect from 31 March 2007. The Agreement to transfer the assets of the old Company to Shropshire County Council stipulated that "the Distributable Funds shall only be applied for the benefit of young persons and for no other purpose whatsoever".	368	203	39	204
Council Elections	Established to meet the periodic cost of Council Elections which take place every four years.	36	0	154	190
Craven Arms Auction Yard	Established to cover the expected future costs associated with maintaining the new development at the former Craven Arms Auction Yard site.	70	0	0	70
CYPS Directorate	Established from overall directorate underspends in 2004/05.	461	170	0	291
Economic Development Workshops Major Maintenance	Established to meet the costs of major maintenance of Economic Development Workshops.	121	0	69	190
Education – Staff Sickness Insurance	Schools' self help insurance for staff sickness with premiums met from delegated budgets.	298	15	0	283
Education – Theft Insurance	Schools' self help insurance scheme to cover equipment damage and losses.	38	0	17	55
Fire Liability	Required to meet the cost of excesses on all council properties.	1,709	0	97	1,806
Landfill Allowance Trading Scheme	Set up to recognise the notional surplus generated because the council's liability for waste disposal	355	134	0	221

	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Expenditure in 2010/11 (£'000)</b>	<b>Income in 2010/11 (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
	tonnage since 2005/06 has been less than the allowances allocated by DEFRA. As this represents a notional surplus it <b>cannot</b> be spent.				
Legal Disbursements	Required to meet extraordinary legal costs incurred by service directorates over and above budgets.	169	82	13	100
Local Authority Business Growth Incentive	Established using grant from the Department for Communities and Local Government. The reserve will be spent on schemes that will benefit business development within Shropshire.	50	7	0	43
Major Planning Enquiries	Required to meet the one-off costs of major planning inquiries, and is a corporate reserve.	1,017	613	30	434
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	3,928	4,350	2,626	2,204
Motor Insurance	An internally operated self-insurance reserve to meet costs not covered by the Council's Motor Insurance Policy.	162	42	187	307
PFI Buildings Equipment Replacement	Established in 2007/08 to fund replacement equipment in PFI buildings. This relates to items of equipment not covered by the PFI contract, that the council are responsible for maintaining.	285	33	34	286
Resources Efficiency	Established for investment in new developments, particularly information technology, that client directorates would not be expected to meet from their internal service level agreements for support services.	808	405	14	417
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.	2,224	1,249	1,718	2,693
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	285	0	91	376

	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Expenditure in 2010/11 (£'000)</b>	<b>Income in 2010/11 (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
	additional charge to the school.				
School Meals - Academic	Held to support financial years when there has been a higher than average number of school days.	0	0	0	0
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.	0	0	0	0
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.	80	170	324	234
Shropshire Waste Partnership (Smoothing)	The PFI smoothing reserve reflects the budgeted contributions in the early years of the Waste PFI contract that will be used to smooth the step up in the Unitary Charge once additional facilities come on line. The PFI smoothing reserve will ensure that the Shropshire Waste Partnership does not pay for services in advance of receiving them but that once costs are increased in line with the contract money is available to meet those costs.	12,407	0	2,705	15,112
Shropshire Waste Partnership (General)	The general reserve arises from SWP underspends and this will be earmarked towards future capital and revenue pressures in the budget. Also includes notional entries relating to prepayments relevant to IFRS accounting treatment.	3,618	1,400	2,240	4,458
Theatre Severn R&M	Established from underspends within culture and leisure, the reserve will be earmarked towards future capital and revenue expenditure on repairs, maintenance and replacement of essential equipment at the Theatre.	155	155	0	0
TMO Vehicle Replacement	Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.	1,414	562	461	1,313
Transport - Academic Year	Held to support financial years when there has been a higher than average number of school days, or to	0	0	0	0

	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Expenditure in 2010/11 (£'000)</b>	<b>Income in 2010/11 (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
	support transport base budget spending pressures.				
Transformation	Required to fund invest to save projects in order to deliver the transformation programme involved in moving to the New Operating Model for the Council.	149	102	166	213
Voluntary Early Retirement/Severance	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.	1,885	2,094	1,286	1,077
Waste Management	Required to meet potential claims from our contractors.	50	50	0	0
Youth Service Vehicle Replacement	Established to meet the costs of purchasing specialist vehicles for the Youth Service.	0	0	0	0
Directorates Carry Forwards	Represents any agreed carry forwards in the Directorates' budgets at the end of the year.	(679)	486	1,371	206
<b>Total Reserves</b>		<b>33,130</b>	<b>13,989</b>	<b>13,917</b>	<b>33,058</b>
<b>Provisions</b>					
Liability Insurance	Provision to meet the estimated actuarial valuation of claims for public liability and employers' liability	3,945	112	70	3,903
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.	2,650	2,650	4,560	4,560
General Fund Bad Debts	Held for potential write offs of debtor balances for General Fund Services including Housing Benefits.	2,402	862	659	2,199
HRA Bad Debts	Held for potential write offs of debtor balances for Housing Revenue Account rents and other debtor balances.	483	97	48	434
Single Status	Established by Bridgnorth District Council to meet the costs of implementing the harmonisation of terms and conditions of service for employees under a nationally negotiated scheme.	369	369	0	0
Contract Retention	Established by Oswestry Borough Council to fund	176	75	0	101

	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Expenditure in 2010/11 (£'000)</b>	<b>Income in 2010/11 (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
	contract retentions agreed for Housing improvement relating to the housing stock in Oswestry.				
Other Provisions	Includes a number of small provisions inherited from the District and Borough Councils, including S106 Accrued Interest, Tenancy Deposit Clawbacks, and a planning appeal at Shrewsbury and Atcham .	152	0	0	152
<b>Total Provisions</b>		<b>10,177</b>	<b>4,165</b>	<b>5,337</b>	<b>11,349</b>