



Shropshire Council
Legal and Democratic Services
Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND

Date: Tuesday, 9 February 2016

**Committee:
Cabinet**

Date: Wednesday, 17 February 2016

Time: 12.30 pm

Venue: Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND

You are requested to attend the above meeting.
The Agenda is attached

Claire Porter
Head of Legal and Democratic Services (Monitoring Officer)

Members of Cabinet

Malcolm Pate (Leader)
Steve Charmley (Deputy Leader)
Karen Calder
Lee Chapman
Simon Jones
David Minnery
Cecilia Motley
Malcolm Price
Stuart West
Michael Wood

Deputy Members of Cabinet

Peter Adams
Tim Barker
Nicholas Bardsley
Gwilym Butler
Dean Carroll
Robert Macey
Peter Nutting
Robert Tindall

Your Committee Officer is:

Jane Palmer Senior Democratic Services Officer

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May 2015

AGENDA

1 Apologies for Absence

2 Disclosable Pecuniary Interests

Members are reminded that they must not participate in the discussion or voting on any matter in which they have a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

3 Public Questions

To receive any public questions, statements or petitions from the public, notice of which has been given in accordance with Procedure Rule 14. The deadline for this meeting is 5.00pm on Friday 12 February 2016.

4 Matters referred from Scrutiny or Council

5 Revenue Monitoring 2015/16 Quarter 3 (Pages 1 - 18)

Lead Member – Mr Malcolm Pate – Portfolio Holder for Strategy, Financial Strategy, Budget and Business Plan.

Report of the Head of Finance, Governance and Support is attached, marked 5.

Contact: James Walton 01743 255001

6 Financial Strategy 2016/17 to 2018/19 (Pages 19 - 82)

Lead Member – Mr Malcolm Pate – Portfolio Holder for Strategy, Financial Strategy, Budget and Business Plan.

Report of the Head of Finance, Governance and Support is attached, marked 6.

Contact: James Walton 01743 255001

7 Robustness of Estimates and Adequacy of Reserves (Pages 83 - 100)

Lead Member – Mr Malcolm Pate – Portfolio Holder for Strategy, Financial Strategy, Budget and Business Plan.

Report of the Head of Finance, Governance and Support is attached, marked 7.

Contact: James Walton 01743 255001

8 Exclusion of Press and Public

To RESOLVE that in accordance with the provisions of Schedule 12A of the Local Government Act 1972 and paragraph 10.2 of the Council's Access to Information Rules, the public and press be excluded during consideration of the remaining item.

9 Review of ip&e Ltd (Pages 101 - 108)

Lead Member – Mr Malcolm Pate – Portfolio Holder for Strategy, Financial Strategy, Budget and Business Plan.

Exempt Report of the Chief Executive is attached, marked 9.

Contact: Clive Wright 01743 252007



Committee and date

Cabinet
10 February 2016

REVENUE MONITORING REPORT – QUARTER 3 2015/16

Responsible Officer James Walton

Email: james.walton@shropshire.gov.uk Tel: (01743) 255011

1. Summary

The report sets out the Revenue forecast for 2015/16 as at Quarter 3 and identifies the current projections on delivery of savings included within the forecast.

2015/16 represents the second year of the Council's latest three year Medium Term Financial Plan running from 2014/15 to 2016/17. Over this period the Council has identified a funding gap of £80m, with £28.4m of this due to be found in the 2015/16 Financial Year. Cabinet receive an update on a quarterly basis to monitor the Council's overall finances reviewing delivery against the proposals put forward, and also monitoring of the whole Council budget to identify any other pressures or concerns not contained within savings proposals.

To aid reporting of savings delivery the Council uses a RAG (Red, Amber, Green) rating to identify a rating for the delivery of savings proposals (more details provided in the report below). As at Quarter 3, evidence currently suggests that of the £28.4m of proposals to be delivered in 2015/16, £15m are rated as Green – with a high degree of certainty of being delivered.

The Quarter 3 position indicates that £9.9m of the £28.4m savings planned are categorised as red, and this is generally being managed through the one off savings identified during 2015/16. Furthermore a number of additional service pressures of £7.9m are already being highlighted, which services will need to address alongside delivering their savings targets. These pressures have been offset by the identification of a number of one off sources of funding that have not been committed and will instead be held to partially address the service pressures identified in year.

The key issues highlighted by this report are that:

- The projected outturn is an overspend of £0.403m which includes savings pressures of £9.963m.
- The projected General Fund Balance as at 31 March 2016 is £15.212m.

2. Recommendations

It is recommended that Members:

- A. Note that at the end of Quarter 3 (1 January 2016), the full year forecast is a potential overspend of £0.403m;
- B. Consider the impact of this on the Council's General Fund Balance.

REPORT

3. Background

- 3.1 Revenue budget monitors are produced to report on the period from June (Period 2) to February (Period 11) of each financial year and show the anticipated year end projection. Reports are presented quarterly to Cabinet and monthly to Directors.
- 3.2 The reports track progress against the agreed budget decisions, forecast any significant variances to the budget, and enables corrective action to be taken to ensure a balanced budget at year end.
- 3.3 Variances are reported on an exceptions 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) |
- 3.4 In addition, given the level of savings proposals identified for delivery in 2015/16, this report also includes a second RAG rating, specifically relating to the delivery of savings. The ratings are as follows:
Green – Saving identified, quantified and confirmed
Amber – Saving identified but not yet confirmed
Red – Saving not achieved or unachievable

4. Monitoring 2015/16 Budget - Overall Position

- 4.1 The projected revenue forecast for the year, at Quarter 3, shows a potential overspend of £0.403m (0.07%) on a gross budget of £593.5m (net £215.8m) for the full year. The forecast year end position for the whole council will be revised each month and reported using the graph below. The area of the graph banded green shows the extent of variance from the budget that would be seen as reasonable given the size and complexity of the Council's budget. At Quarter 3 the projected year end overspend of £0.403m is falling within the green banding, and the level of overspend has decreased since Quarter 2. The change in projection is the net effect of an increase in care purchasing pressures within Adult Services (£1.9m increase in overspend since Q2), a further underspend within Resources & Support (underspend increased by £1.7m since Q2) across several areas in the Directorate and Corporate Budgets (additional £2.3m since Q2) as a result of MRP savings relating to the cost of borrowing within the capital programme.
- 4.2 Adult Services
- 4.2.1 Purchasing projections within Adult Services have increased by £1.9million between the periods. £1.4million of this increase is explained by new clients that have already entered the system and a further £0.525m has been included

within the projections based on the average cost of growth that enters the system each month. This growth has been partially offset by the £1.382m virement approved by Council in 2015/16 to assist with managing this pressure. This level of overspend is concerning as the pressure identified earlier in the year has continued to grow as a steady trend over the later months of the year.

4.2.2 The following are some of the reasons identified for this increase in growth projections

- New people requiring funded support are coming into the system at a greater rate and at greater cost than last year.
- The base cost is not reducing sufficiently to accommodate the new growth
- The population in Shropshire is ageing at a greater rate than nationally, people are living longer
- There are more people with increasingly complex needs requiring support
- Pressures in the health sector are impacting on the social care sector (CHC funding and hospital discharge behaviour)
- The provider market is experiencing issues with cost inflation and capacity which is driving up the cost of individual packages.

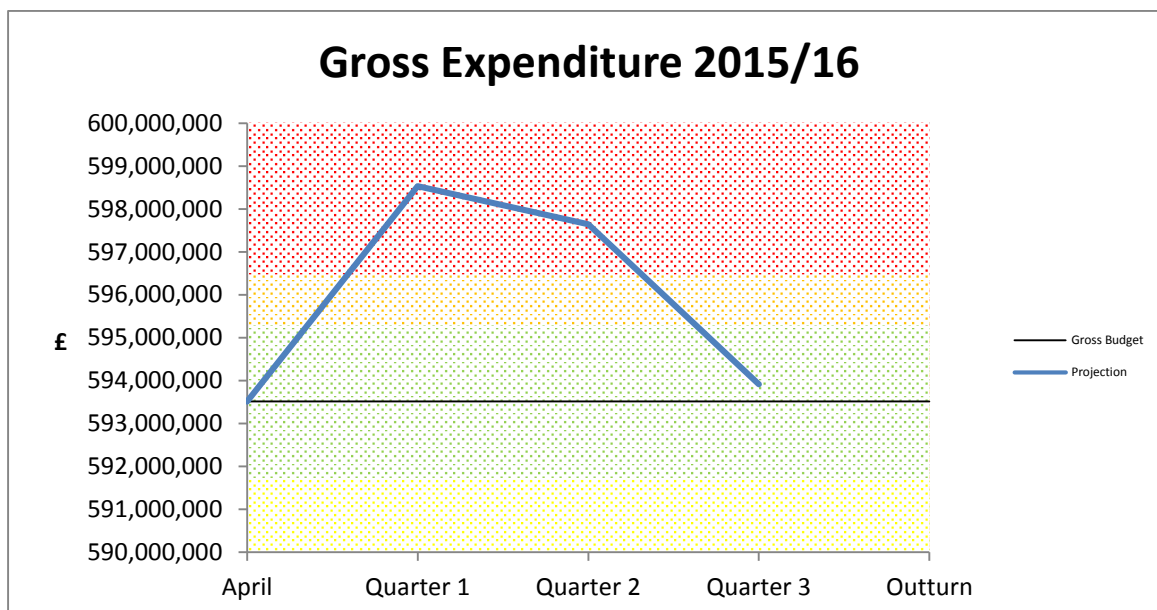
4.2.3 The total net new added pressure in 2015/16 is likely to be £5.5m compared to £3.7m in 2014/15. It is still unclear as to whether the pressure identified in late 2015/16 financial year is a pressure or and longer term trend, and more time and analysis will be necessary to reach a robust conclusion. There is a risk that the pressure seen in 2015/16 could be under or over stated in future years projections given the relatively limited data available, the short period over which the assessment has been made, the large size of the existing budget and the inherent volatility within the service. If current rates of growth continue next year, new demand could cost a further £5.5m whilst the full year cost of supporting people that have been added in 2015/16 could cost £9.4m. Growth of £7m had previously been allowed for within the 2016/17 financial strategy, however this increase in growth projections indicates that additional £7.9m worth of growth is required. The growth calculation and resulting budget allocation has now been revised in the financial strategy for 2016/17, however further verification is required to consider their robustness and meanwhile work will be focussed on identifying ways of reducing the level of new demand for adult social care in the future.

4.3 Resources & Support Budgets

4.3.1 Underspends have arisen across the Resources & Support Directorate since Quarter 2 however the most significant changes are savings generated from no longer requiring Carbon credits due to changes in the Council's registration under the Carbon Reduction Commitment scheme; and vacant posts being held across Customer Involvement and Legal & Democratic Service to deliver in year savings and assist with delivery of savings proposals for the 2016/17 budget strategy.

4.4 Corporate Budgets

4.4.1 Savings have been identified within the MRP budgets due to the effect of changes in the capital programme which have reduced the revenue costs of providing for borrowing in the revenue budget. These changes include slippage in the programme and delivery of capital receipts in hand that have been set aside during the year to generate a one off saving in year. This has released £2.2m during 2015/16.



4.5 The projected overspend of £0.403m for 2015/16 is presented below and analysed in more detail at Appendix 1.

Table 1: 2015/16 Projected Budget Variations Analysed by Service Area

Service Area	Revised Budget £'000	Forecast Outturn £'000	(Under) / Overspend £'000	RAGY Classification
Adult Services	72,435	77,887	5,452	R
Children's Services	53,850	54,265	414	G
Commissioning	82,919	82,576	(343)	Y
Public Health	2,013	1,998	(15)	Y
Resources & Support	7,175	5,175	(1,999)	Y
Corporate	(2,550)	(5,656)	(3,106)	Y
TOTAL	215,843	216,246	403	G

5. Update on Savings Delivery

5.1 The savings projections for 2015/16 have been RAG rated in order to establish the deliverability of the savings and any potential impact on the outturn projection for the 2015/16 financial year. The RAG ratings have been categorised as follows:

Red – Savings are not solved on an ongoing basis, nor have they been achieved in the current financial year

- Amber – Savings have been identified on an ongoing basis in the current financial year, however there is no clear evidence to support the delivery as yet
- Green – Savings have been identified on an ongoing basis in the current financial year, with evidence of delivery.

The RAG ratings are updated monthly to determine progress on delivery. Details of the current assessment of savings delivery for each service area are shown in Table 2.

Table 2: Update on Delivery of 2015/16 Savings Proposals

Service Area	Red £'000	Amber £'000	Green £'000	Total Savings £'000
Adult Services	6,019	2,612	5,338	13,970
Children's Services	609	309	2,120	3,038
Commissioning	1,216	343	3,947	5,507
Public Health	27	0	73	100
Resources & Support	662	200	762	1,624
Corporate	1,430	0	2,775	4,205
TOTAL SAVINGS	9,963	3,464	15,015	28,444

- 5.2 The figures presented above show that 53% of the 2015/16 savings target have been flagged as green with a further 12% with plans in place to be delivered. Those areas not delivered within 2015/16 have been assessed as part of the Financial Strategy to identify those areas deliverable but subject to a delay in delivery, and those areas identified as undeliverable.
- 5.3 Management have provided assurance that plans are in place to deliver the savings that have been categorised as amber, however as evidence of the delivery has not yet been identified at Quarter 3, there is a risk that these could still cause a pressure on the outturn position for 2015/16. If the amber rated savings are not delivered as planned, the effect on the outturn position is shown in Table 3 below:

Table 3: Effect of Non-Delivery of Amber Savings in 2015/16

Service Area	Quarter 3 Projected Outturn £'000	Amber Savings £'000	Potential Outturn if Amber Savings not Achieved £'000
Adult Services	5,452	2,612	8,064
Children's Services	414	309	723
Commissioning	(343)	343	0
Public Health	(15)	0	(15)
Resources & Support	(1,999)	200	(1,799)
Corporate	(3,106)	0	(3,106)
TOTAL	403	3,464	3,867

6. Analysis of Outturn Projections including Delivery of Savings

6.1 The monitoring position detailed in Table 1 includes the current position on delivery of savings proposals for 2015/16 in addition to new monitoring pressures identified and one off solutions to reduce the projected overspend. Table 4 provides further analysis of the projected overspends for each service area.

Table 4: Reconciliation of Monitoring Projections to Savings Delivery

	Quarter 3 Projection £'000	Savings Pressure in 2015/16 £'000	Ongoing Monitoring Pressures Identified £'000	Ongoing Monitoring Savings Identified £'000	One Off Monitoring Pressures Identified £'000	One Off Monitoring Savings Identified £'000
Adult Business Support & Development	(381)	20	19	0	(6)	(415)
Contracts & Provider	(724)	187	(759)	0	0	(152)
Social Care Operations	6,579	4,979	5,275	0	66	(3,741)
Adult Services Management	(22)	0	0	0	0	(22)
Housing Health & Wellbeing	0	833	0	0	0	(833)
Adult Services	4,927	6,019	4,535	0	60	(5,162)
Learning & Skills	282	52	1,057	0	374	(1,200)
Children's Safeguarding	131	558	843	(312)	226	(1,184)
Children's Services Management	1	0	0	0	1	0
Children's Services	414	609	1,900	(312)	601	(2,384)
Director of Commissioning	1	75	0	0	1	(75)
Local Commissioning	(204)	0	0	0	0	(204)
Area Commissioning North	(67)	980	0	0	43	(1,090)
Area Commissioning South	283	161	500	0	480	(858)
Business Growth & Prosperity	(356)	0	0	0	67	(423)
Commissioning	(343)	1,216	500	0	591	(2,650)
Public Health	(15)	27	0	0	0	(42)
Public Health	(15)	27	0	0	0	(42)
Commercial Services	(784)	0	14	(372)	189	(615)
Customer Involvement	(563)	512	800	0	1,281	(3,156)
Finance, Governance & Assurance	(145)	0	81	0	6	(232)
Human Resources	(11)	49	0	0	126	(186)
Legal, Democratic & Strategy	(366)	26	0	0	104	(496)
SMB	(131)	75	0	(52)	10	(164)
Resources & Support	(1,999)	662	895	(424)	1,716	(4,849)
Corporate	(3,106)	1,430	130	(80)	0	(4,585)
Corporate	(3,106)	1,430	130	(80)	0	(4,585)
TOTAL	403	9,963	7,960	(816)	2,967	(19,672)

6.2 **Adult Services** – The red savings identified within Adult Services relate mainly to contract savings particularly within nursing care placements, QICS PFI contract savings and the Bethpage contract as well as other minor contract savings within the service. Savings relating to the P2P Model of service delivery

have also been categorised as red and redesign of the social care offer has been re-categorised as red from amber. The delivery of savings relating to the redesign of Housing Services is also likely to slip until 2016/17. Ongoing pressures have been identified of £5.275m within Adult Services which relates to the purchasing pressure as a result of new additional clients entering the care system in the first 9 months of the financial year.

Children's Services – Savings not delivered in Children's Services relate to the amalgamation of troubled families work with early help and administrative savings across the service. These will be offset in the current year with the use of one off resources from grant monies and the use of Public Health monies. The reduction in Education Services Grant has been identified as an ongoing monitoring pressure. This is being funded in 2015/16 through the proposed use of other grant monies and staffing savings within Education Improvement.

Commissioning – The savings pressures in Commissioning relate to the review and redesign of the waste function including the Veolia contract (£0.934m), redesign of the Environmental Maintenance function (£0.161m), reductions in the positive activities special needs clubs budget (£0.046m) and administrative savings across the Directorate (£0.075m). Also ongoing monitoring pressures of £0.5m have been identified within the service relating to increasing costs of concessionary fares. This pressure has been offset within the 2015/16 projected outturn by a contribution from the Severe Weather Reserve. A one off contract saving within waste (£0.434m) and other underspends across service areas are helping to fund the non-achievement of savings on a one off basis for 2015/16.

Public Health – Public Health holds a significant balance in a ringfenced Earmarked Reserve of £2.7m. It is currently projected that £1.19m will be released specifically into the service during 2015/16 to fund Public Health projects. A further £0.830m is also intended to be used across other service areas in the Council where the activity is specifically related to Public Health initiatives. These service areas to benefit from this funding have not yet been determined and so these additional resources have not been reflected in the projected outturn position yet, therefore the overall underspend should increase further by this sum.

Resources & Support – Savings have been categorised as red in relation to the delivery of savings in IT Services for the Lync telephony rollout, the Equitrack implementation and the WAN contract savings. There is also a one off pressure relating to additional costs for the WAN contract. The corporate WAN contract dual running period was initially anticipated to run until the end of June 2015, however this has now had to be extended and potentially needs to run until the end of December. The reasons for this extended dual running period are problems and delays in getting the BT WAN installed at all Council sites. These costs that have been identified within IT Services are being funded by a one off contribution from the Resources Efficiency Reserve (£1.5m) which contains earmarked money for IT Services development. This delay reduces the amount of redevelopment funding for IT.

Corporate – Efficiency savings of 7.5% were anticipated across corporate budgets in 2015/16 as a result of a redesign of Council services and a reduction in the support needed for frontline services. Without significant change to, or reduction in, many frontline services, proposals to deliver these savings have not yet identified. This is being funded on a one off basis within 2015/16 by the use of a one off MRP saving through the use of capital receipts set aside at the end of 2014/15. Further one off savings in MRP have been identified during Quarter 3, alongside other corporate budgets that have been held but can be uncommitted whilst redesign is completed.

The Council currently holds a number of corporate budgets in relation to funding changes received in the Final Budget Settlement for 2015/16, Council Tax Freeze Grant, Section 31 grants (relating to, for example small business rate relief) and Business Rate appeals provision that are currently uncommitted. Whilst included in the budget build up, no commitments were made against these funds at budget setting. This approach ensures ongoing reliance in the budget is not placed on funding sources which cannot be guaranteed on an ongoing basis. It also provides the opportunity to use this resource on a year on year basis to aid any transition to new delivery methods and manage any delays in the achievement of savings. As highlighted in the Financial Strategy Report to Cabinet on 9th December 2015, these resources have been ringfenced to assist with balancing the 2016/17 budget strategy and therefore will be contributed to a new Earmarked Reserve during 2015/16 (£9.8m).

7. General Fund Balance

- 7.1. The effect on the Council's Reserves of the forecast is detailed below. The Council's policy on balances is to have a general fund balance (excluding schools balances) of between 0.5% and 2% of the gross revenue budget. For 2015/16 the minimum balance required is £2.896m. The Financial Strategy, agreed by Council on 26 February 2015, anticipated a level of reserves by year end of £14.9m. Based on the current monitoring position, the General Fund Balance will be above this target, however this is still below the risk based target for the General Fund for 2015/16, as shown in Table 5 below:

Table 5: Projected General Fund Balance As At 31 March 2016

	(£'000)
General Fund Balances as at 1 April 2015	15,206
Budgeted contribution to General Fund Balance	409
This report – projected outturn (overspend)	(403)
Projected Balance at 31 March 2016	15,212

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

Revenue & Capital Budget 2015/16

Financial Rules

Revenue Monitor – Quarter 1 2015/16

Revenue Monitor – Quarter 2 2015/16

Appendices

1 - Service Area Pressures and Actions 2015/16

2 - Amendments to Original Budget 2015/16

Service Area Pressures and Actions 2015/16**Summary**

	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Adult Services	72,434,870	77,886,948	5,452,078	R
Children Services	53,850,450	54,264,591	414,141	G
Commissioning	82,919,410	82,576,526	(342,884)	Y
Public Health	2,013,000	1,997,954	(15,046)	Y
Resources & Support	7,174,740	5,175,431	(1,999,309)	Y
Corporate	(2,549,910)	(5,655,742)	(3,105,832)	Y
Total	215,842,560	216,245,708	403,148	G

Detail

ADULT SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	72,434,870	77,886,948	5,452,078	R

Adult Business Support & Development	Portfolio Holder Adult Services	2,641,910	2,260,673	(381,237)	Y
Current underspend within training and grant income held here to offset pressures in the purchasing budgets.					
Contracts & Provider	Portfolio Holder Adult Services	7,249,010	6,525,336	(723,674)	Y
The underspends in internally provided services are kept under continual review and used flexibly as in house services are redesigned and recommissioned to meet the changing needs of service users. At Quarter 3 a significant element of the underspend is attributed to the reallocation of forecast spend of £0.284m to Social Care Operations with respect to Kempfields purchasing. The corresponding budget associated with the new block contract will be transferred from Contracts & Provider to Social Care Operations in the remainder of the year.					
Social Care Operations	Portfolio Holder Adult Services	55,936,260	62,515,679	6,579,419	R
Following a budget adjustment this period the purchasing element of this budget is overspending by £7.236m. Period 9 has seen £0.533m of new pressure added by 125 new clients. A total of 433 clients have been added since Quarter 2 adding £2.442m to the in-year projection and further growth of £0.525m is included for the remainder of this financial year. The full year impact of this new demand is potentially significantly greater creating pressures for next year.					
New pressures include clients who were previously funded by CHC, self-funders who have now become a cost and transition of clients between both Children Services and from out of county. Additional pressures continue as the hospitals continue to declare significant levels of escalation. Management of this additional pressure continues to be paramount which includes the implementation of a hospital spot purchase policy between health and social care, further development of the brokerage function to manage cost and capacity within the market with the extension of the framework to residential and nursing provision, continuing CHC challenge, and ensuring that income is maximised and outstanding debt is minimised. Future costs that need to be considered are living wage, compulsory pension enrolment, and changes in sleeping night payments. We continue to reassess clients in residential care and those with high cost packages and seek alternatives such as equipment, assisted technologies, supported living and looking at innovative housing solutions.					
In addition, in this budget area, there continues to be pressures arising as a result of legislative changes around					

ADULT SERVICES		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Total		72,434,870	77,886,948	5,452,078	R
<p>Deprivation of Liberty Safeguards (DOLs) and the impact of the transfer of the Independent Living Fund to local administration.</p> <p>An £0.800m contribution from ASC reserves has been notionally applied at this point in the year to assist with managing this pressure. The Authority is currently exposed to a bad debt risk as discussions continue around the payment of CHC debt in the region of £2m for 2014/15. Non recovery of any amount will have a direct impact on the current overspend position. This will be reviewed as the year progresses. Care Act implementation funding is also being applied.</p> <p>In order to manage the pressures, Adult Services continues to closely manage which includes in depth monthly scrutiny on every funding decision in order to evaluate strategies to minimise the pressure.</p>					
Adult Services Management	Portfolio Holder Adult Services	2,293,860	2,271,430	(22,430)	Y
Minor variation from budget projected as at Quarter 3.					
Housing Health & Wellbeing	Portfolio Holder Planning, Housing, Regulatory Services and Environment	4,313,830	4,313,830	0	G
No projected variation as at Quarter 3.					

CHILDRENS SERVICES		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Total		53,850,450	54,264,591	414,141	G

Learning & Skills	Portfolio Holder Children and Young People	24,053,710	24,335,717	282,007	A
<p>The projected overspend in Learning & Skills is due to a projected deficit in County Training. County Training has faced extremely difficult trading conditions this year with reduced Apprenticeship recruitment and significantly reduced numbers of clients on Welfare to Work programmes. Measures to combat these funding reductions have included 2 staffing restructures and a review of the occupation of premises. Although substantial savings have been achieved, the projected deficit has not been entirely mitigated. Income reductions currently account for £0.180m, unachieved savings in premises costs account for a further £0.116m, these are offset by additional savings achieved through the staff restructures of £0.029m.</p>					
Children's Safeguarding	Portfolio Holder Children and Young People	28,902,300	29,033,658	131,358	G
<p>Unachieved savings within Early Help have been fully offset by one-off monitoring Savings within that area. There is however, an ongoing monitoring pressure within Case Management caused by Agency Staffing overspends and a further ongoing pressure in relating to Leaving Care Allowances within Looked After Children Placements.</p>					
Children's Services Management	Portfolio Holder Children and Young People	894,440	895,216	776	G
Minor variation from budget projected as at Quarter 3.					

COMMISSIONING	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	82,919,410	82,576,526	(342,884)	Y

Director of Commissioning	Portfolio Holder Leisure and Culture	686,100	686,773	673	G
Minor variation from budget projected as at Quarter 3.					
Director of Commissioner Total		686,100	686,773	673	

Local Commissioning	Portfolio Holder Rural Services and Communities	307,430	302,169	(5,261)	Y
Minor variation from budget projected as at Quarter 3.					
Community Working	Portfolio Holder Rural Services and Communities	864,570	842,435	(22,135)	Y
Minor variation from budget projected as at Quarter 3.					
LJC Locality Commissioning	Portfolio Holder Rural Services and Communities	158,550	154,895	(3,655)	Y
Minor variation from budget projected as at Quarter 3.					
Commissioning Support	Portfolio Holder Corporate Support	306,720	134,084	(172,636)	Y
Creation of the Commissioning Support Unit, by bringing together roles from across directorates into a re-designed function, deleting several posts as appropriate, has resulted in an ongoing base budget saving of approximately £0.200m.					
Local Commissioning Total		1,637,270	1,433,583	(203,687)	

Area Commissioner North – Positive Activities	Portfolio Holder Children and Young People	404,930	415,622	10,692	G
Minor variation from budget projected as at Quarter 3.					
Area Commissioner North - Libraries	Portfolio Holder Leisure and Culture	4,121,270	4,153,571	32,301	G
Local discussions and negotiations around transfer of smaller libraries to community organisations have been underway for some time now and several different models have developed, which will result in savings from April 2016. 2015/16 savings have been achieved through efficiencies, however this projection takes account of one-off legal costs, estimated at £0.050m.					
Area Commissioner North - Markets	Portfolio Holder Corporate Support	56,790	41,790	(15,000)	Y
Minor variation from budget projected as at Quarter 3.					
Area Commissioner North - Waste	Portfolio Holder Planning, Housing, Regulatory Services and Environment	26,829,270	26,825,828	(3,442)	Y
Minor variation from budget projected as at Quarter 3.					
Area Commissioner North	Portfolio Holder Planning, Housing, Regulatory Services and Environment	235,520	144,153	(91,367)	Y
Variance on employee costs due to the postholder's secondment.					
Area Commissioner North Total		31,647,780	31,580,964	(66,816)	

COMMISSIONING		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Total		82,919,410	82,576,526	(342,884)	Y
Area Commissioner South – Environmental Maintenance	Portfolio Holder Highways and Transportation	27,259,360	27,259,360	0	G
There are areas of budget pressure surrounding the Ringway contract which may result in additional expenditure. Further updates will be provided should these arise.					
Area Commissioner South – Highways & Transport	Portfolio Holder Highways and Transportation	5,131,290	5,462,289	330,999	R
There is a net overspend within this service, mainly attributable to Concessionary Fares.					
Area Commissioner South – Passenger Transport	Portfolio Holder Highways and Transportation	841,520	841,522	2	G
Minor variation from budget projected as at Quarter 3.					
Area Commissioner South – Leisure	Portfolio Holder Leisure and Culture	3,419,510	3,372,562	(46,948)	Y
Operating efficiencies at in-house leisure facilities, contributions from partner service areas and underspends on central budgets are forecast to more than offset one-off pressures at commissioned facilities.					
Area Commissioner South	Portfolio Holder Highways and Transportation	316,520	315,258	(1,262)	Y
Minor variation from budget projected as at Quarter 3.					
Area Commissioner South Total		36,968,200	37,250,991	282,791	

Business Growth & Prosperity – Arts	Portfolio Holder Leisure and Culture	204,330	201,078	(3,252)	Y
Minor variation from budget projected as at Quarter 3.					
Business Growth & Prosperity – Economic Growth	Portfolio Holder Business and Economy	977,330	973,612	(3,718)	Y
Minor variation from budget projected as at Quarter 3.					
Business Growth & Prosperity - Visitor Economy	Portfolio Holder Leisure and Culture	1,850,180	1,909,878	59,698	A
There are a number of variations resulting from delays in implementing savings plans and income generation at desired levels.					
Business Growth & Prosperity - Outdoor Recreation	Portfolio Holder Leisure and Culture	1,676,360	1,674,549	(1,811)	Y
Minor variation from budget projected as at Quarter 3.					
Business Growth & Prosperity - Theatre Severn	Portfolio Holder Leisure and Culture	599,780	348,200	(251,580)	Y
The Theatre continues to grow and develop, with the aim of reducing overall net costs. As at period 9 (whilst there is still uncertainty for the remainder of the year) income for 2015/16 looks very promising.					
Business Growth & Prosperity - Infrastructure & Growth	Portfolio Holder Business and Economy	165,950	173,462	7,512	G
Minor variation from budget projected as at Quarter 3.					

COMMISSIONING		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Total		82,919,410	82,576,526	(342,884)	Y
Business Growth & Prosperity – Strategic Planning	Portfolio Holder Planning, Housing, Regulatory Services and Environment	789,760	707,621	(82,139)	Y
The underspend in this service is due to addition CIL (admin element) receipts.					
Business Growth & Prosperity – Regulatory Services	Portfolio Holder Planning, Housing, Regulatory Services and Environment	5,213,080	5,136,138	(76,942)	Y
Vacancy management savings have been achieved within the commissioning team, plus there is a forecast over-achievement of penalty charge notice income, which is retained within the council rather than transferred to ip&e.					
Business Growth & Prosperity – Management	Portfolio Holder Leisure and Culture	503,290	499,677	(3,613)	Y
Minor variation from budget projected as at Quarter 3.					
Business Growth & Prosperity Total		11,980,060	11,624,215	(355,845)	

PUBLIC HEALTH		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Total		2,013,000	1,997,954	(15,046)	Y

Public Health	Portfolio Holder Health & Wellbeing	2,013,000	1,997,954	(15,046)	Y
Minor variation from budget projected as at Quarter 3.					
Public Health also holds a significant balance in a ringfenced Earmarked Reserve of £2.7m. It is anticipated that £1.19m will be released specifically into Public Health during 2015/16 to fund Public Health projects. A further £0.830m is also intended to be used across other service areas in the Council where the activity is specifically related to Public Health initiatives. These service areas to benefit from this funding have not yet been determined and so these additional resources have not been reflected in the projected outturn position.					

RESOURCES & SUPPORT		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Total		7,174,740	(5,655,742)	(3,105,832)	Y
Commercial Services	Portfolio Holder Corporate Support	4,140,550	3,356,991	(783,559)	Y
<p>A total underspend of £0.784m has been identified in Commercial Services excluding Shire Services. A new income stream has been identified in the Sustainability budget which has resulted in £0.099m additional income from Solar Panels Installed on School Buildings. Budgets set aside in relation to Carbon Credits have now been confirmed as not being committed in year and have been released as a one off saving of £0.372m. Savings of £0.129m in relation to commissioning budgets have now been realised. Other savings have been realised on the disposal or vacation of surplus assets in the region of £0.203m. Following the setting up of the Corporate Landlord Model provisional savings of £0.011m have been identified. However, a full reconciliation of all budgets and spends needs to take place so this position could change once reviewed and will be confirmed for period 10 monitoring. There is also a £0.012m pressure on Gypsy Site Income.</p>					
Customer Involvement	Portfolio Holder Corporate Support	506,270	(56,343)	(562,613)	Y
<p>It has been identified early in the year that there is a reduction in external income earned by the Customer Service Centre relating to the contract for services provided to ST&RH, this has generated an overspend of £0.106m. Savings targets of £0.074m have been identified as unachievable in full and solutions are being investigated. Additionally IT Services have delayed savings of £0.372m in relation to the rollout of Lync and telecoms, and the implementation of Equitrak. The corporate WAN contract dual running period initially anticipated to run until the end of June 2015, has had to be extended until December and has resulted in an unbudgeted cost of £1m. Additional budget pressures have also been identified in relation to the council's licensing requirement in 15/16 resulting in a projected overspend of £0.5m as a result of a broadening of the Microsoft agreement in place and transition costs as the Council moves to new software systems. These additional costs relating to the WAN contract and the software licensing costs are being funded in 2015/16 with a contribution from the Resources Efficiency Reserve (£1.5m) which includes specific money set aside for IT development. This delay reduces the amount of redevelopment funding for IT.</p> <p>The historic overspend in Print and Mail services is being addressed in 2015/16 by a service redesign and the projected overspend in year is forecast to be £0.017m, this will be resolved fully by 2016/17. Savings have been identified of £0.566m from staffing reductions across customer involvement which is due to vacancies not being filled as originally anticipated in Quarter 3. Posts that are now being held as vacant have been projected as a saving for the remainder of the year however if further delays occur in recruitment in customer involvement, further savings may be achieved between now and the year end.</p>					
Finance, Governance & Assurance	Portfolio Holder Strategy, Financial Strategy, Budget and Business Plan	1,435,550	1,290,284	(145,266)	Y

RESOURCES & SUPPORT		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Total		7,174,740	(5,655,742)	(3,105,832)	Y
<p>An overspend has been identified within the Revenues and Benefits teams, a staffing restructure has recently taken place in order to address this issue in the future and the current overspend is being reviewed with the aim to reduce this in year. The forecast overspend resulting partly from grant reductions has been resolved in year by the reallocation of base budget of £0.170m no longer considered to be required. The overspend has been further reduced as the benefits of the re-structure are now starting to take effect. Savings of £0.140m have been identified across various teams within FG&A and these have come from vacancy management, reduced planned spending on software and supplies and services, and additional one off income. An income shortfall has been confirmed within Finance of £0.023m which has been offset by in year savings outlined above. Further efficiencies have been identified from budgets not required in 15/16, and these have been removed in 16/17.</p>					
Human Resources & Development	Portfolio Holder Corporate Support	83,600	72,884	(10,716)	Y
<p>Additional costs have been projected in relation to the Northgate Resource Link contract extension. There is also a shortfall in income projected in First Aid and HR Advice. These unfavourable variances are partly offset by minor in-year vacancy management savings. Furthermore, there is an unachieved saving in 15/16 of £0.049m identified, however additional External Income of 0.061m has now been identified. Additional funding has now been secured to undertake some short term system improvements which have resulted in additional funding within 15/16 only.</p>					
Legal, Democratic & Strategy	Portfolio Holder Corporate Support	515,520	149,125	(366,394)	Y
<p>A total underspend of £0.366m has been identified within Legal and Democratic Services. Underspends within Members Services £0.052m (mainly from savings achieved on Telephone Rentals £0.025m, with further savings on Printing Services and Advertising totalling £0.020m). Total underspend identified within Committee Services of £0.103m partly from additional income £0.030m and the remainder from in-year vacancy management savings. Section 106 agreement work has generated some additional income within Legal Services and an underspend on Childcare Court Costs of £0.120m.</p>					
Strategic Management Board	Portfolio Holder Strategy, Financial Strategy, Budget and Business Plan	493,250	362,489	(130,761)	Y
<p>The forecast underspend relates to an additional income stream of £0.041m that has been identified following the budget setting process. The remaining underspends relate to in-year vacancy management savings.</p>					

CORPORATE		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Total		(2,549,910)	(5,655,742)	(3,105,832)	Y

CORPORATE		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Corporate Budgets	Portfolio Holder Strategy, Financial Strategy, Budget and Business Plan	(2,549,910)	(5,655,742)	(3,105,832)	Y
<p>There are currently £1.160m of unachieved savings in 2015/16, these are planned to be achieved by 2016/17 and have been temporarily funded by identifying alternative corporate budgets that have been held but can be uncommitted in the current financial year. The other overspend in corporate budgets is in relation to the QICS PFI contract costing more than budget resulting in an overspend of £0.116m, additional overspends are due to ongoing non-distributable costs and added years pensions costs. Savings of £2.264m have been identified on a one-off basis in 15/16 from MRP (The Minimum Revenue Provision calculation) in relation to an underspend on the capital programme. Savings of £0.586m have been identified on a one-off basis in 15/16 from interest receivable within Treasury Management due to increased interest from external lending and interest on other deposits. Total savings in Treasury Management are £1.253m from the areas identified above. Further savings of £0.131m have been identified in increased income from central purchasing and a £0.100m saving identified on graduate costs.</p> <p>The Council currently holds a number of corporate budgets in relation to funding changes received in the Final Budget Settlement for 2015/16, Council Tax Freeze Grant, Section 31 grants (relating to, for example small business rate relief) and Business Rate appeals provision that are currently uncommitted. It is planned for these balances to be used for two major purposes: carry forward to 2016/17 as set out within the Financial Strategy approved by Cabinet on 9 December 2015, and ICT developments in the current financial year. Funds not committed within 2015/16 will be placed in earmarked reserves which would temporarily increase the value of reserves held by the Council, but this is necessary to ensure a balanced budget can be set for 2016/17. It is recognised that some reserves balance may be required to reduce any overall Council overspend should management action not bring the budget in balance. Budget virements will be actioned within approved levels and if any further approval is required, this will be reported through to the appropriate Committee.</p>					

Appendix 2**Amendments to Original Budget 2015/16**

	Total £'000	Adult Services £'000	Children's Services £'000	Commissi oning £'000	Public Health £'000	Resources & Support £'000	Corporate £'000
Original Budget as agreed by Council	215,843	70,410	54,893	82,190	1,934	7,766	(1,350)
<u>Quarter 1</u>							
Youth Centre Facility budgets	0	0	0	(267)	0	267	0
Other minor structure changes	0	0	29	0	39	(68)	0
IT post to Regulatory Services	0	0	0	40	0	(40)	0
Shrewsbury Town Council Contract Budget	0	0	0	29	0	0	(29)
<u>Quarter 2</u>							
Internal market reallocation	0	458	(1,053)	376	69	(381)	531
Other minor structure changes	0	0	93	(95)	0	2	0
<u>Quarter 3</u>							
Complaints	0	0	0	474	0	(474)	0
Commissioning Support	0	0	(87)	109	0	(22)	0
Financial Assessments	0	384	0	0	0	(384)	0
Women's Refuge	0	(199)	0	0	199	0	0
Adult Services Growth	0	1,382	0	0			(1,382)
Bereavement Services	0	0	0	217	(217)	0	0
PAYP	0	0	0	(266)	0	266	0
Other minor structure changes	0	0	(24)	112	(11)	243	(320)
Revised Budget	215,843	72,435	53,851	82,919	2,013	7,175	(2,550)



Committee and Date

Cabinet

17th February 2016

12:00noon

FINANCIAL STRATEGY 2016/17 – 2018/19

Responsible Officer James Walton

e-mail: james.walton@shropshire.gov.uk Tel: 01743 255011

1. Summary

This report presents for approval the 2016/17 budget and also identifies the proposals for 2017/18 and 2018/19 budgets which will be further developed throughout 2016/17.

Cabinet has received 3 financial strategy reports over the last year setting out the budget position for the Council over the next 3 years. The report to Cabinet on 28 October 2015 set out the development of a Sustainable Business Model to allow the Council to consider what services will be affordable going forward. Savings proposals to balance 2016/17 were identified in the report on 9 December 2015 and following the Provisional Local Government Finance Settlement on 17 December 2015, the Financial Strategy report to Cabinet on 27 January refined the 2016/17 budget and provided details of what service budgets would look like in 2017/18 and 2018/19 within the current resource projections.

As previously recommended to Council in the report to Cabinet on 9 December 2015, increases in Council Tax of 2% specifically to be used for Adult Social Care and a further 1.99% increase to be used as general resources are included in the projections.

This report provides the final position for 2016/17 budget which has been updated for the Final Local Government Finance Settlement, announced on 8 February 2016. This has seen an improved position for Shropshire Council, with an additional £5.5m in Rural Services Delivery Grant and Transitional grant provided for 2016/17, reducing to £3m in 2017/18. It should be noted that while these grants are welcomed they are not provided on an ongoing basis and as such only provide one off funding. This report also includes the estimated outturn positions on the Council's Collection Funds and the latest projections on Business Rates revenues.

The report updates the expenditure projections for Adult Services based on the level of growth currently being experienced in the service and reflected within the Quarter 3 Revenue Monitoring Report. This has resulted in a significant increase

in the Council's projections for expenditure over the next 3 years. The one off funding provided by the Final Settlement enables this pressure to be managed within 2016/17 budget however, as this pressure is currently projected to grow and with a sharp reduction in resources as one off funding is removed, the budgets for 2017/18 and 2018/19 will need further reductions to compensate for growth in Adult Services. The report currently reflects potential service budgets going forward which do not compensate for the additional growth in Adult Services. Over the coming months, further work will be undertaken to refine the Adults Services growth projections and the implications for other service budgets.

The report also includes details of responses received to date from both the Big Conversation and the 2016/17 Budget Consultation exercise.

The Financial Strategy development is a rolling process where 3 years and upwards of projections are provided which are refined as more information becomes available. Although the Local Government Settlement provides provisional figures for 4 years, there is no information on the Central Government's stated intention around 100% Business Rates Retention for local authorities nor is there any detail on proposed changes around New Homes Bonus and Better Care Funding. With this uncertainty, the council's current financial strategy concentrates on the three year period 2016/17 to 2018/19 to set next year's budget and to plan for 2 years beyond that based on the information available at this time.

At the present time two significant reviews are being undertaken across the Council which may impact on the 2016/17 budget and Financial Strategy as a whole. These are:

- A review of ip&e Limited – ahead of this review being completed and any decision by Cabinet, the financial impact of any proposed changes is not reflected in the Council's Financial Strategy or budget. Should this result in any services transferring to or from ip&e Limited it would be necessary under the Council's virement rules to seek approval by Council for these virements. If the review and decision process is not completed by Council on 25 February it may be necessary to seek retrospective approval on the understanding that there would be no impact on the Council's net budget position of any change. More detail is provided in paragraphs 5.5 and 5.6.
- A review of ICT requirements across the Council – this review is being undertaken within resources already approved by Cabinet, but ahead of this review being completed and conclusions drawn, any further investment which may be necessary, and any resultant long term savings proposals, are not currently reflected in the Council's Financial Strategy.

The Council is currently reviewing and considering its overall vision and priorities with a view to drawing up a new Corporate Plan. The development of the 2017/18 budget and the resulting Financial Strategy goes hand in hand with this process and will be undertaken at the same time as the overarching vision for Shropshire Council is developed.

2. Recommendations

It is recommended that members:

- A. Agree and recommend to Council the 2016/17 budget of £565.377m including the savings proposals detailed in Appendix 3 and excluding internal market adjustments.
- B. Note the changes required to the 2016/17 budget as a result of the Final Local Government Settlement, revised business rates and collection fund estimates and revised Adult Services growth projections.
- C. Note the changes required to future years budgets as a result of the Final Local Government Settlement and a review of business rates and Adult Services growth projections.
- D. Note the revised funding gap for the years 2017/18 and 2018/19.
- E. Agree and recommend to Council the revised Capital Programme as set out in the report.
- F. Note the potential requirement for virement between pay and non-pay (contract payment) budgets resulting from the review of ip&e Limited, which are not reflected in this report.
- G. Note the potential for investment and further savings proposals resulting from the review of the Council's ICT requirements which are not reflected in this report.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1. The development and delivery of the Council's Financial Strategy is the key process in managing many of the Council's strategic risks. The opportunities and risks arising are assessed each time the document is refreshed for Cabinet consideration. The Council's Strategic Risks are reported separately, but the Financial Strategy makes specific reference to the significant financial uncertainty across Local Government in the Medium Term.

Financial Uncertainty

- 3.2. Reference should be made to the reports to Cabinet 28 October 2015, 9 December 2015 and 27 January 2016 of which the following is an update.
- 3.3. There is a significant risk that the Council's financial position will impact on service delivery in future years. It is not yet clear as to the extent of this impact as a great deal of work is still required to finalise our overall financial

position and consider how redesigned functions could be delivered in future. Nevertheless, we have identified proposals for service reductions that would be necessary to deliver a balanced budget over the next three years. This approach needs detailed consideration to ensure the Council is not placed at risk of being unable to deliver statutory functions or being unable to meet the needs of the most vulnerable. The impact of the finance settlement on Council finances brings into question our ability to deliver a Sustainable Business Model i.e. our ability to generate sustainable funding to enable a sustainable and safe service delivery model.

- 3.4. The Final Local Government Finance Settlement has provided details for the financial years 2016/17 to 2019/20. The figures beyond 2016/17, however, may be subject to variations in future settlements.
- 3.5. The Financial Strategy is based upon delivery of a balanced budget over the Medium Term. Each year the delivery of services and savings proposals is maintained and reported to Cabinet on a quarterly basis. The impact of significant additional pressures (for example, demographic pressures in Adult Services) and the non-achievement of savings proposals impact not only on the relevant financial year, but also in future years of the Strategy. In previous years there has been an ability to freeze spending elsewhere in the budget to compensate for these pressures. In the future, there is a significant risk that there will be insufficient controllable budgets left in the Council to mitigate pressures appearing elsewhere. This may mean that reserves held for emergencies instead become relied upon to cover known pressures. If reserves are depleted in this way the Council's funding position will become unsustainable.
- 3.6. As a result of significant pressures being identified within Adult Services between the financial periods 5 to 9 it has been necessary to reconsider the growth identified for this service in future years. It is still unclear as to whether the pressure identified in late 2015/16 financial year is a pressure or a longer term trend, and more time and analysis will be necessary to reach a robust conclusion. There is a risk that the pressure seen in 2015/16 could be under or over stated in future years projections given the relatively limited data available, the short period over which the assessment has been made, the large size of the existing budget and the inherent volatility within the service. Each of these issues can lead to uncertainty in the base data or assumptions which are then extrapolated. If the pressure in Adult Services in future years is understated this would lead to short term decision making to deliver a balanced budget. If this pressure is over stated in future years, this would lead to decisions being taken elsewhere in the Council's budget that may have been unnecessary.

- 3.7. Setting the Financial Strategy and agreeing the detailed changes necessary to deliver the agreed budget for the next financial year, will take into account the requirements of the Human Rights Act, any necessary environmental appraisals and the need for Equalities Impact Needs Assessments and any necessary service user consultation.

4. Development of the Financial Strategy 2016/17 to 2018/19

- 4.1. In February 2014, Council agreed a 3 year Financial Strategy which identified a funding shortfall over the 3 year period 2014-17 of £80m and savings proposals to meet the shortfall.
- 4.2. The projection of a funding gap of £80m over the 3 year period from 2014/15 to 2016/17 was based on the best available information at the time. Since that date, resource and expenditure projections have been revised to take account of new and updated information.
- 4.3. In the 28 October report, it was recognised that the existing financial strategy for 2014-17 would need adjusting in its final year and that the new financial strategy should cover the 5 year period 2016-2021 to provide sufficient time to develop a new sustainable approach for the Council based on the permanent loss of central Government grant funding by 2020/21.
- 4.4. The Sustainable Business Model (SBM), which describes a more sustainable financial basis for the Council over the medium to long term, was considered in detail in the 28 October report and updated in the 9 December report.
- 4.5. On 9 December 2015, Cabinet approved proposals to meet a funding gap in 2016/17 of £33.789m
- 4.6. In the 27 January Report, following the Provisional Local Government Settlement the Council's proposed Sustainable Business Model was reviewed. The Provisional Settlement set out resource assumptions for Shropshire Council for the 4 years from 2016/17 to 2019/20. While the projections for year 4 were in line with our previous assumptions, the intervening years demonstrated a front loading of the expected cuts. In addition the Settlement provided no information relating to the impact of local retention of 100% Business Rates. For these reasons it was decided to remove years 4 and 5 from the SBM and revert to producing a three year strategy for 2016/17 to 2018/19.
- 4.7. The Final Settlement, announced on 8 February 2016, confirmed the figures for the Councils Settlement Funding Assessments previously announced in the Provisional Settlement and included additional one off funding in 2016/17 of £5.5m reducing to £3m in 2017/18 which is welcomed.

- 4.8. Since the report on 27 January, the Council's latest position on projected Business Rates and Council Tax income for 2015/16 has been revised. As a result the Collection Fund estimates in 2016/17 have been updated. In addition, the estimated income from Business Rates for 2016/17 has been revised and advised to DCLG as part of the National Non Domestic Rates Return (NNDR1) 2016/17. The revision of the 2016/17 estimate has resulted in the projections going forward also needing revision and this has led to a reduction in projected future resources. More detail is provided in section 6 below.
- 4.9. This report also includes details of the latest projections for Adult Services spend based on the latest information on current spending and growth experienced in the service to date. This has resulted in an increased budget requirement, and more detail is provided in section 6 below.

5. The Current Financial Year 2015-16

- 5.1. The budget for 2015/16 was agreed by Council on 26 February 2015.
- 5.2. As the 2015/16 financial year progresses, revenue monitoring reports continue to monitor the achievement of 2015/16 savings and highlight any financial issues for the current year budget and also any ongoing implications. These ongoing implications will be included in the Financial Strategy.
- 5.3. The latest 2015/16 monitoring report for Quarter 3 is a separate report on the agenda. The projected overspend for the Council at Quarter 3 is £0.403m. This overall overspend reflects significant budget pressures in Adult Services which have been all but offset by savings identified in other areas across the Council. Some of the savings used in 2015/16, to offset the Adult Services overspend, are one off in their nature and will not be available to offset pressures in future years. By their nature these pressures have a twofold effect on future years; the existing pressure is multiplied up as the impact is made over a full, rather than part, year, and the pressure continues to grow (at an assumed similar rate) within each future year.
- 5.4. The project overspend for Adult Services as reported in the Quarter 3 Revenue Monitor is £5.452m. This level of overspend is concerning as the pressure identified earlier in the year has continued to grow as a steady trend over the later months of the year. For 2016/17, net growth of approximately £9m has been allocated for Adults and included in the 27 January 2016 Financial Strategy report. This growth figure was identified as a result of careful analysis of growth in the service over the 2014/15 year following redesign of the entire service operating model. The growth calculation and resulting budget allocation will be insufficient to cover the unbudgeted

2015/16 pressure that is being seen, the additional 2016/17 pressure (as described in paragraph 5.3 above) and the further impact of the National Living Wage and National Insurance changes (which had been calculated based on the previous assumed pressure). The growth calculation and resulting budget allocation has now been revised and an update on the additional amount required and the impact on the Council's budget is detailed in Section 6 below.

- 5.5. In December 2015 a review of ip&e Limited was undertaken to consider the future operation of the organisation. At the time of production of the Financial Strategy this review had not been completed and any decision taken by Cabinet. As a consequence, the financial impact of any proposed change is not reflected in the Council's Financial Strategy or budget for 2016/17.
- 5.6. The on-going assumption for ip&e Limited had been no return of profit to the Council over the foreseeable future. In addition, the contract cost identified for services commissioned from ip&e Limited, and contained within the Council budget, is not expected to radically change as a result of the review. It should be noted, however, that should the review result in any services transferring to or from ip&e Limited it would be necessary under the Council's virement rules to seek approval by Council for these virements. This is because the Council's budget currently reflects ip&e Limited contract payments within the 'Supplies and Services' subjective analysis of the accounts, and were a service to transfer back there would be a need to recreate employee, transport, supplies and services and income budgets. While the impact on the Council's net budget would be zero, the impact on the subjective analysis of the budget needs to be agreed by Council under the Council's virement rules. If the review and decision process is not completed by Council on 25 February it may be necessary to seek retrospective approval on the understanding that there would be no impact on the Council's net budget position of any change. Once completed, outcome of the review will be reflected in the Council's Budget Book.

6. 2016/17 to 2019/20 Projections of Resources and Expenditure

The Final Local Government Settlement

- 6.1. The Final Local Government Settlement was announced on 8 February 2016. The underlying factors within the Final Settlement remain unchanged from the Provisional Settlement released on 17 December (but corrected for 2019/20 over the Christmas period), i.e. assumptions around RSG allocations, Top up Grant, Business Rates, and Council Tax resources. Following significant lobbying from the Council, The Leader of the Council,

the Chief Executive, Members, Senior Officers, all of Shropshire's local MPs, The Rural Services Network and the Local Government Association, in addition to the Council's response to the Government's consultation, a number of transitional adjustments have been put forward which directly benefit Shropshire Council's financial position for the first two years of the settlement period.

- 6.2. The Rural Services Delivery Grant identified as a separate funding source for 2016/17, and growing nationally from £20m in 2016/17 to £65m in 2019/20 has been revised upwards for the first two years as part of the changes from the Provisional to the Final Settlement. The impact for Shropshire is shown in the table below (each year being single, self-contained but unringfenced grants).

Table 1: Rural Services Delivery Grant

	2016/17 (£'000)	2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)
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National Position for RSDG

Provisional Settlement	20,000	35,000	50,000	65,000
Final Settlement	80,500	65,000	50,000	65,000

Impact on Shropshire

Rural Services Delivery Grant Provisional Amount (Provisional Settlement)	1,633	2,858	4,083	5,308
Rural Services Delivery Grant (Final Settlement)	6,573	5,308	4,083	5,308
Variance (Additional Funds)	4,940	2,450	0	0

- 6.3. In addition a separate 'Transition Grant' has been added to the Final Settlement for the first two years. This is worth £150m nationally and results in additional resources for Shropshire of £0.575m for 2016/17 and 2017/18 (as single one-off grants each year).
- 6.4. The result of the above changes introduced as part of the Final Settlement is that Shropshire Council has benefited by £5.516m in 2016/17 and £3.035m in 2017/18. No other changes have been made over the four years of the settlement period. A full explanation of the financial impact on the Council

over the settlement period was included in the Financial Strategy approved by Cabinet on 27 January and as this has not changed, aside from the amendments described above, is not repeated within this report.

- 6.5. In the Financial Strategy report to Cabinet on 27 January, the use of Rural Services Delivery Grant and contributions from New Homes Bonus of £1.835m were agreed to offset reductions in available funding in 2016/17.

Council tax and Business Rates

- 6.6. In January every year the position on estimated Council Tax and Business Rates revenues to be received in the year is reviewed. As the estimated income is revised, adjustments are required to the collection funds in the following year to reflect either an under allocation or over allocation of revenues to the major/ relevant precepting authorities.
- 6.7. The estimated collection Fund Outturn for 2015/16 was reported to Cabinet on 10 February 2016. For Council Tax, the Council's share of the estimated surplus is £2.987m. This is £2.487m more than the £0.5m currently in 2016/17 budget. For Business Rates, the Council's share of the estimated deficit is £5.961 which is £3.367 less than the deficit of £2.594m in 2016/17 budget. The net change from the current budget figures is a net deficit of £0.880m.
- 6.8. The in-year deficit on the Business Rates Collection Fund is primarily attributable to a significant increase in the appeals provision as a result of two occurrences: Business Rates appeals currently lodged with the Valuation Office Agency in relation to surgeries and health centres and a request for mandatory business rates relief submitted to the Council on behalf of NHS trusts
- 6.9. For Business Rates, in addition to reviewing the estimated revenues for the current year, it is necessary to revise the estimate for Business Rates revenues due in 2016/17. The total amount estimated for 2016/17 and the distribution between the relevant major precepting authorities is reported to DCLG each year. The calculations and assumptions in the return follow government guidance and are based on the most up to date information on the level of liability in the year after allowing for reliefs, debts and the amount of appeals.
- 6.10. A review of the Business Rates Projections following the latest position estimated for 2015/16 has resulted in a revision of the estimated Council share of Business Rates for 2016/17. The 2016/17 estimated Business Rates due to the Council has been reduced from £40.269m to £38.747m, a reduction of £1.522m. The change in Business Rates estimated for 2016/17

also affects future year's projections. The projections for 2017/18 and 2018/19 have been reduced by £1.956m and £2.408m respectively.

- 6.11. In 2016/17, therefore there is a change in the council's net budget of £2.402m as a result of the latest collection fund and Business Rates estimates. The change in future year's resources is a reduction in net budget of £1.956m for 2017/18 and £2.408m for 2018/19. This reduction in resources in all years increases the funding gap in all years.
- 6.12. A separate review of corporate resources has been taking place in January which has included consideration of the Council's Minimum Revenue Provision (MRP). The MRP can be adjusted for future years and represents the Council's basis for repaying its borrowing requirement into the long term future. The review was undertaken with the potential to identify corporate savings that could be utilised to meet projected target budgets and also help reduce frontline service cuts initially proposed for future years. While the review is still being continued, it has been assumed at this time that an allocation of £2.4m will be taken from the MRP and used to close the gap identified in paragraph 6.11. It is unlikely that any significant variance from this figure will be identified at the conclusion of the MRP review.

Adult Services

- 6.13. The financial strategy reports and quarterly revenue monitoring reports to date have identified significant pressures in Adult Services. The Financial Strategy report to Cabinet in January included net growth for Adults in 2016/17 of £7.592m, this then increases by a further £4.883m and £5.250m in the following two years. The majority of the growth is required for "purchasing" budgets in Adult Services, where care is commissioned and purchased externally. For example, of the £7.592m 2016/17 growth allocated to Adult Services in total, £7.033m will be applied directly to purchasing budgets.

- 6.14. The growth projections for Adult Services were prepared initially in the summer of 2015 and were based on the actual growth experienced in 2014/15 under the early delivery of a new operating model for adult social care. Since this initial analysis of 2014/15 data, the average in-year cost pressure of new demand within the purchasing budget has grown from approximately £0.104m (per period per month remaining¹) to £0.126m (per period per month remaining.) This is an increase of 21% in the net cost.
- 6.15. The total net new added pressure in 2015/16 is likely to be £5.5m compared to £3.7m in 2014/15. If current rate of growth continues into next year, new demand could cost a further £5.5m whilst the full year cost of supporting people that presented in 2015/16 could cost £9.4m. This would result in a requirement for growth of £14.9m, compared to the £7.033m built into the 2016/17 budget; an increase of almost £7.9m.
- 6.16. The following are some of the reasons identified for this increase in growth projections
- New people requiring funded support are coming into the system at a greater rate and at greater cost than last year.
 - The base cost is not reducing sufficiently to accommodate this new growth, resulting in a net growth, and accelerating pressure.
 - The population in Shropshire is ageing at a greater rate than nationally, people are living longer
 - There are more people with increasingly complex needs requiring support
 - Pressures in the health sector are impacting on the social care sector (CHC funding and hospital discharge behaviour)
 - The provider market is experiencing issues with cost inflation and capacity which is driving up the cost of individual packages.
- 6.17. The significant changes in the growth projections for Adults are based on the current growth levels being seen in the service. The projected outturn for the current financial year 2015/16 at Quarter 3 of £5.452m, indicates that the future growth currently allocated in the 2016/17 budget is inadequate. The increase growth required of £7.827m is based on the best information and interpretation available at this time and as such, to ensure the Council is planning a balanced 2016/17 budget, this amount has been added to the net expenditure projections for 2016/17. This increases the funding shortfall in 2016/17 by this amount and in future years allowing for the current projections will increase the gap by a further £5.026m in 2017/18 and a

¹ The impact of this cost varies depending upon the period in which it falls. A cost of £0.104m added in the month of March will have an impact of £0.104m on the current year budget. A cost of £1.04m added in the previous April would have an impact of 12 x £1.04m = £1.248m. Each month between has an impact between 2 and 11 times the 'per period per month remaining' figure. The impact on the following year is always 12 times each of the 12 monthly figures.

further £4,689m in 2018/19, resulting in a total increase by 2018/19 of £17.542m.

- 6.18. The future year's projections have been produced very quickly and will need further verification to consider their robustness. For 2016/17, the additional £5.5m funding received as part of the Final Local Government Settlement and unspent unringfenced New Homes Bonus Funding of £2.312m enables the increase for Adult Services growth to be offset on a one off basis. This growth, however, is not sustainable within the current financial strategy and the Sustainable Business Model needs to be recalculated on the basis of the revised information.

Resources and Expenditure

- 6.19. The table below provides the current projections for Resources and Expenditure for 2016/17 to 2018/19.

Table 2: Resources and Expenditure Projections 2016/17 to 2018/19

	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19
	27/01/2016	17/02/2016	27/01/2016	17/02/2016	27/01/2016	17/02/2016
	£'000	£'000	£'000	£'000	£'000	£'000
Resources	567,514	565,377	570,169	568,152	571,933	568,440
Expenditure	588,810	596,902	603,329	616,121	612,999	629,456
Funding Gap	-21,296	-31,526	-33,160	-47,969	-41,066	-61,017
Year on Year Saving			-11,864	-16,443	-7,906	-13,047
Change from 27 Jan 2016						-19,951

- 6.20. It can be seen that over the 3 year period, the shortfall in funding, or “gap” has increased by £19.951m since the report to Cabinet on 27 January 2016. This is as a result of the change in Business Rates projections, £2.408m and the increase in Adults Growth projections as detailed above of £17.542.
- 6.21. Resource and Expenditure Projections for Shropshire Council are attached at Appendices 1 and 2 respectively.
- 6.22. Section 7 and 8 below detail the proposals for balancing the 2016/17 budget and the further work now required on the 2017/18 and 2018/19 budgets.

7. 2016/17 Budget – Approach to Delivering a Balanced Budget

- 7.1. The report to Cabinet on 27 January 2016 updated the 2016/17 budget projections for the Provisional Local Government Finance Settlement.
- 7.2. A Scrutiny Task and Finish Group has completed a review of the budget proposals for 2016/17 during late December 2015 and January 2016, and taken a view on the following years covered by the Financial Strategy, discussing the situation and plans with Senior Managers and Portfolio Holders. The Task and Finish Group made a series of recommendations which included there being more information on the impacts and risks associated with delivering the 2016/17 budget; that future budgets should be aligned with the future long-term strategy of the Council and that greater attention should be paid to the identification and realisation of income generation and invest to save opportunities. Their full report is attached as Appendix 6.
- 7.3. Revisions to the funding gap as set out in section 6 above have resulted in a number of further changes being required. Total net resources for Shropshire Council for 2016/17 are now estimated to be £204.527m; this is £2.402m less (in-year) than the figure provided to Cabinet on 27 January 2016.
- 7.4. The gross budget has been adjusted to reflect the additional grants announced as part of the final Local Government Finance Settlement and the revised projections for Adult Services Growth.
- 7.5. The table below details the changes in projections since the last report on 27 January 2016 and the suggested one off solution to fund these changes.

Table 3: Changes since 27 January Report

Description of change	£m	Running Total £m
Net collection fund deficit increase	0.880	0.880
Revision of Business Rates	1.522	2.402
Revised MRP provision	-2.402	0
Additional Adults Pressures	7.827	7.827
Rural Services Delivery Grant – increase to Final Settlement	-4.940	2.887
Transitional Grant	-0.575	2.312

Unallocated New Homes Bonus	-2.312	0
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7.6. The funding gap for 2016/17 increased from £33.789m (9 December 2015) by £3.468m to £37.257m following the provisional finance settlement (27 January 2016). The latest changes to collection funds, Business Rates and Adults Services growth increase this gap by a further £10.230m to £47.487m.

7.7. The 2016/17 Budget has been balanced by a combination of savings, on-going additional resources and one off funding as summarised below.

- Base Budget Savings from Service budget totalling £23.051m as detailed in Appendix 3 (9 December 2015)
- Ongoing budget contribution of £1.382m to Adults (9 December 2015)
- A one off contribution of £9.356m from Corporate funds (9 December 2015)
- Ongoing use of Rural Services Delivery Grant of £1.633m (27 January 2016)
- One off use of NHB of £1.835m (27 January 2016)
- Ongoing release of MRP surplus budget £2.402m (as identified in this report)
- One off additional Rural Services Delivery Grant of £4.940m (as identified in this report)
- One off transition grant of £0.575m (as identified in this report)
- One off Contribution from New Homes Bonus Budget of £2.312m as identified in this report).

7.8. It can be seen that the 2016/17 budget has been balanced by the use of a number of one off funds. Alternative savings will be required in future years and this will be considered as part of the review of the Sustainable Business Model.

7.9. The Council's Budget Book for 2016/17, providing greater detail of the impact on the Council's budget, has been produced alongside the Financial Strategy and is available on the Council's website.

2017/18 to 2018/19 – Medium Term Strategy

7.10. The resource and expenditure projections for the two remaining years of the Financial Strategy have been updated. The updated resources and expenditure projections and the current savings gap identified for future years is shown in Table 2 above. The changes have been detailed above and by 2018/19 revise the funding shortfall by £19.951m, £2.408m from revision of

Business Rates projections and £17.542m as a result of revision of Adults Services pressures.

- 7.11. The funding gap for 2017/18 has increased from £11.864m to £16.443m, an increase of £4.579m. In addition to this increase, savings or alternative one off funding will be required to cover all one off funding used in 2016/17.
- 7.12. The funding gap for 2018/19 has increased by £5.141m from £7.906m to £13.047m.
- 7.13. The change in each year is shown in Table 4 below:

Table 4: Changes to Financial Years 2017/18 and 2018/19

	2017/18 (£m)	2018/19 (£m)
Change in Collection Fund	0.880	
Change in Business Rates	-0.433	-0.453
Adults growth – year on year	-5.026	-4.689
Total change in Funding Gap	-4.579	-5.142

- 7.14. On 27 January 2016, Cabinet received a series of initial proposals to meet the identified funding gap at that time. Further work will now be undertaken to identify alternative and additional proposals to deliver a balanced budget for 2017/18 and beyond. In the meantime, no further updates to the proposals noted by Cabinet on 27 January 2016 have yet been considered.

8. Budget Consultation and the Big Conversation

- 8.1. The budget consultation has been running since December 2015 and run alongside the Big Conversation survey. A total of 76 responses have been received specifically on the budget consultation and in general the responses were in support of the savings proposals. The average responses for savings in each Directorate were as follows:

	Total Savings £'000	Agree or Strongly Agree	Neither Agree or Disagree	Disagree or Strongly Disagree
Adult Services	5,185	44.35%	39.86%	15.80%
Children's Services	3,831	56.28%	25.83%	17.90%
Commissioning	6,262	67.06%	20.29%	12.65%
Public Health	620	49.00%	32.61%	18.39%

Resources & Support	2,025	68.00%	21.80%	10.20%
Corporate	5,128	73.50%	19.46%	7.05%

The 3 savings proposals that generated the most disagreement were:

	Total Savings £'000	Disagree or Strongly Disagree
Public Health - Reduction in Targeted Mental Health in Schools Expenditure	650	52.64%
Public Health - General Staff Turnover replaced by Utilisation of Funded Work Experience Placements	25	44.27%
Children's Services - Redesign and transfer of Education Support Services to IP&E (Inspire to Learn) and secure commissioning arrangements and retained team	650	36.06%

The savings proposals with over 80% agreement were:

	Total Savings £'000	Disagree or Strongly Disagree
Public Health - Senior Management Salary Savings	90	85.25%
Commissioning - Maximising income and efficiencies at workshops and employment land	51	81.36%
Resources & Support - Redesign services, for example, Business Design, Digital Services, Customer Services, Business Support, Print Services, Programme Management	637	81.35%
Commissioning - Review of waste collection model, leading to increased recycling and improved service delivery	250	80.00%

- 8.2. The Big Conversation was described in the 28 October Cabinet Report and was formally launched on the same date. An online survey was launched on the 17th November 2015 and initial response reported to Cabinet on 9 December.
- 8.3. The survey closed on the 6 January 2016. Initial analysis of the results was presented to Cabinet on the 27 January in the report on the Financial Strategy 2016/17 to 2018/19.
- 8.4. More detailed qualitative and quantitative analysis of the survey has identified differences between the responses based on gender, age and employment

status. Further analysis will take place to understand any geographic differences in responses.

- 8.5. In order to explore specific questions and issues arising from the survey in more detail focus groups were held over recent weeks, and action focused stakeholder workshops will be run in the first week of March. A final report will be shared by the end of March 2016.
- 8.6. Some quotes and key points arising from the analysis of the survey are set out below.
- 8.7. A total of 2,271 survey responses were received achieving a good spread across geography and demography.
- 8.8. In relation to different ways of making savings and delivering services:
 - 77% respondents agree that the Council should combine services with other Council's and Public Sector organisations.
 - 53% agree with investing in IT to reduce staff costs
 - 62% agree that some services should be protected and others cut back to make savings

“Increased shared services. Not as simple as it sounds but the current situation in the public sector can only be achieved by creating economies of scale wherever possible, increasing outcomes by developing synergy that should be derived from joint working and overcoming petty politics and short-term solutions.”

A provider of public services, a business and a resident

- 8.9. In terms of working with communities and volunteering
 - 61% agree to some extent that the Council should make more use of local residents and volunteers
 - 71% of respondents agree that communities should be enabled to do more for themselves
 - 32% of respondents are willing or very willing to contribute through participation or volunteering. Only 15% stated they were not willing to do so.

“We have developed reliant communities for years, and now we can't just expect those communities to be in a position of resilience overnight.”

T&PC, Council Staff, Involved in local interest community/faith group, Resident

“We are a small, very rural community and have a great sense of helping each other. We ask younger to cut wood for elderly neighbours and lift or move heavy things for them. Quite a few folk give each other lifts to the shops or services when needed.... We share vegetables and fruits we grow When someone is ill or there is a bereavement, we rally round to support them and their family.”

Resident

8.10. In response to questions on locally raised income

- 56% of respondents agree that fees should be increased so that the costs of some services are largely paid for by the direct user.
- 49% of respondents agreed with raising Council Tax compared to 34% who disagreed. 15% of respondents identified that they neither agreed nor disagreed with increasing Council Tax.

“I believe that the public are prepared to pay higher taxes for benefit from reliable, consistent, professionally delivered services.”

A member of Town and Parish Councils

8.11. Respondents were asked if they had any further comments they would like to make about how the Council can make further savings. Initial analysis of the 1,142 responses received on this identify the following common areas:

- Avoid duplication of services
- Set up commercial partnerships
- Sell redundant assets
- Increase efficiencies and operate more like a business
- Increase Council Tax

“The statutory organisations within Shropshire – the Council, the CCG, the Fire and Rescue Service, local elements of West Mercia Police, and the West Midlands Ambulance Service should not be separate organisations with the multiple resources they require to operate – the opportunities to bring these organisations together and rationalise the areas of duplication should be taken.”

Council Staff

“Deal with the property owned by the Council. Big buildings not being used to full potential and are half full.”

Resident

8.12. The overall conclusions drawn at the close of Phase 1 of the Big Conversation will help inform the process for considering the 2017/18 budget

and beyond. Initial proposals for the 2017/18 and 2018/19 budget were provided to Cabinet on 27 January 2016, ahead of the initial findings from the Big Conversation.

9. Capital

- 9.1. This section of the report updates the Capital Programme for the period 2016/17 to 2018/19. This update is a holding position of the previous programme, updated to reflect new confirmed funding and the delivery schedule for schemes. The programme will be subject to further review in the new financial year to review the schemes currently included and consider alternative scheme options, in particular any schemes that will generate revenue savings.
- 9.2. The Council is also developing business cases for a number of proposed large schemes, however at this stage the business cases are not finalised or confirmation of external funding is awaited. As a result these schemes cannot be considered at this point for inclusion in the capital programme and reports will come forward at a future date for consideration.

9.3. **Capital Allocations 2016/17 to 2018/19**

The capital programme report 2015/16 to 2017/18, approved Council 26 February 2015, contained details of confirmed and indicative capital grants allocations. Where the Council has received updated confirmed allocations, these have been built into the updated capital programme. Any changes to capital allocations have been pass-ported through to the service area, as will any allocations still to be confirmed. The following section details these allocations.

- 9.4. **Department of Education – Schools Programme.** The Department of Education has previously confirmed Basic Need allocations through to 2017/18 and indicative allocations of Condition grant for the same period. The Condition allocation will be revised annually to reflect schools moving responsible body, opening or closing, and final confirmation of the 2016/17 allocation is awaited. The same confirmation is required for the 2016/17 Devolved Formula Capital grant allocation. Once confirmed these will be built into the capital programme and reported through the quarterly Capital Monitoring report.
- 9.5. In addition to the new funding allocations expected for 2016/17 there is significant funding that has been brought forward from previous year's capital programmes. The table below summarises the funding currently available in the 2016/17 and 2017/18 Learning & Skills Capital Programme:

Table 5: Learning & Skills Capital Funding

Funding	2016/17 Funding			2017/18 Funding		
	B/F Funding	New Allocation	Total	B/F Funding	New Allocation	Total
Basic Need	-	1,795,273	1,795,273	-	1,784,013	1,784,013
Condition (<i>provisional</i>)	-	3,432,986	3,432,986	-	3,432,986	3,432,986
DFC	1,000,000	TBA	1,000,000	-	TBA	-
Capital Receipts	2,692,443	-	2,692,443	2,449,784	-	2,449,784
Revenue Contributions	383,063	-	383,063	-	-	-
Total	4,075,506	5,228,259	9,303,765	2,449,784	5,216,999	7,666,783

- 9.6. This funding has been allocated by programme areas as detailed in the Capital Programme (see Appendix 4). This is a combination of schemes slipped from 2015/16, multi-year schemes and allocations by programme area, which will be allocated to specific schemes based on school priorities. Learning & Skills have developed a programme to utilise all the above funding and expected funding that will be available to them in 2016/17, with Condition works being the largest area of the programme. Further consideration will be made to the deliverability of a programme consisting of the brought forward funding and the 2016/17 funding in the financial year, once the full programme of schemes is allocated.
- 9.7. In addition to the above funding, £2.35m is currently projected to be generated in future years from the disposal of surplus former school sites, following school amalgamations; subject to Department of Education approval to dispose of the sites. These receipts are ring fenced for investment in Learning & Skills capital schemes as previously agreed by Council as part of the amalgamation programme.
- 9.8. Department of Transport - Local Transport Plan (LTP). The Department of Transport previously announced allocations of funding for Highways confirmed through to 2017/18 and indicative allocations for 2018/19 to 2020/21. The Shropshire allocations are detailed in the table below:

Table 6: Department for Transport LTP allocations

Funding	2016/17 Allocation	2017/18 Allocation	2018/19 Indicative Allocation	2019/20 – 2020/21 Indicative Allocation pa
Highways Maintenance	15,124,000	14,667,000	13,275,000	13,275,000
Integrated Transport	1,626,000	1,626,000	1,626,000	1,626,000
Total	16,750,000	16,293,000	14,901,000	14,901,000

9.9. In addition to the Highways Maintenance allocation on a needs-based formula, for 2016/17 onwards, there is a further £580 million that will be allocated nationally based on incentivising good asset management and efficiencies. Shropshire Council has submitted the required self-assessment exercise to Department for Transport and is waiting confirmation of the additional funding (indicative estimate £916,000) to be received for 2016/17. Also under the Highways Maintenance there is a 'Challenge Fund' of £575m into which the Council can submit bids for specific/groups of schemes for large one-off maintenance and renewal projects. The Council's application to this fund in 2015/16 was unsuccessful, but will look at submitting a further bid under the second tranche of applications.

9.10. In addition to the above, brought forward funding of £1.5m is included in the Highways and Transport capital programme for 2016/17 for schemes for which delivery was slipped from 2015/16. The detailed Highways and Transport capital programme is included in Appendix 5 to this document and a summary including funding is provided in Table 7 below:

Table 7: Highways Capital Programme & Financing 2016/17

	Maintenance Block (£)	Integrated Transport (£)	Other (£)	Total (£)
Highways				
Structural Maintenance of Bridges	1,500,000	-	629,910	2,129,910
Structural Maintenance of Roads	12,574,000	126,000	796,751	13,496,751
Contribution to Much Wenlock Flood Alleviation Scheme	250,000			250,000
Street Lighting	800,000	-	-	800,000
Total Highways	15,124,000	126,000	1,426,661	16,676,661
Integrated Transport				
Integrated Transport	-	1,000,000	104,148	1,104,148
Contribution to Shrewsbury Integrated Transport Package	-	500,000	-	500,000
Total	15,124,000	1,626,000	1,530,809	18,280,809

- 9.11. The highways capital maintenance programme is developed based on an Asset Management approach. With funding allocations based on using network intelligence gained from routine condition surveys as well as other sources of information; investment will be prioritised where it will achieve the greatest returns.
- 9.12. Integrated transport schemes are prioritised based on the contributions to key objectives such as safety, network efficiency, environmental benefits and levels of local support. For the next few years an element of the funding will be used to support the Shrewsbury Integrated Transport Package scheme.
- 9.13. **NHS – Better Care Fund.** The Better Care Fund includes capital grant allocations for Disabilities Facilities Grant (DFG) and the Community Capacity Grant. Allocations for 2016/17 are yet to be confirmed, but expected to be broadly in line with 2015/16 allocations.
- 9.14. Further funding of £1.619m is included in the Adult Social Care capital programme for 2016/17. This is funding which has been re-profiled from previous years. Plans are being developed to allocate this new funding to schemes, but it will potentially deliver financial savings across both the health and social care economy through remodelled services and better outcomes for individuals.
- 9.15. **Housing Revenue Account (HRA).** Under the self-financing regulations, the Council has a 5-year transitional period to implement component-based depreciation for the HRA. Once implemented, this will be used to determine the level of capital investment required in the housing stock. As allowed in the transitional period, the Council will continue to use the baseline Major Repairs Allowance (MRA) figure in the HRA self-financing determination for Shropshire as the basis for the amount allocated for capital investment.
- 9.16. The HRA has agreed a major repairs programme of £3.450m 2016/17, plus £1.5m slippage from 2015/16 and £3.55m 2017/18. £2.3m is also included for completion of the New Build Phase 2 programme, financed from Major Repairs allowance and ring-fenced capital receipts, generated from HRA property disposals. The scheme involves the construction of 31 new properties, of which 26 will be available for affordable rent in the HRA, 3 will be made available for shared ownership and 2 will be available for open market sale.
- 9.17. **Local Enterprise Partnership (LEP).** Following approval of the business case, the Council has received confirmation of £6m (across 2015/16 to 2018/19) in LEP funding for the Shrewsbury Integrated Transport Package.

The scheme will include a number of measures aimed at alleviating congestion and improving town centre pedestrian areas. The scheme will be supplemented by funding from the annual Integrated Transport allocation and developers contributions through Community Infrastructure Levy and Section 106 contributions.

9.18. The business case for the Oxon Link Road scheme is still yet to be signed off and thus this is not included in the programme until confirmation is received.

9.19. **Corporately Financed capital schemes**

The previous Capital Strategies have reduced the number of corporately financed schemes to align the programme to available resources and avoid the unaffordable ongoing revenue costs of borrowing to finance the programme. Following these previous reviews there is limited scope to make further savings in the existing capital programme; especially as given the nature of capital schemes, a number of schemes are ongoing across financial years with contracts in place to deliver these schemes.

9.20. No changes have been made as part of the 2017/18 Capital Strategy. However, these will be subject to review early in the new financial year, with consideration also given to any alternative scheme options, in particular any schemes that will generate revenue savings.

9.21. **Capital Programme 2015/16 to 2017/18**

The revised capital programme, following the grant changes and the review of the capital programme is detailed in Appendix 4 and a summary of the programme and the financing is provided in Table 8.

Table 8: Capital Programme 2016/17 to 2018/19

2015/16 Budget £	Service Area £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £
	General Fund			
30,304,844	Commissioning	36,978,211	19,634,000	15,650,079
2,590,920	Adult Services	2,019,000	-	-
8,348,248	Children's Services	9,303,765	7,666,783	-
4,944,481	Resources & Support	220,000	-	-
46,188,493	Total General Fund	48,520,976	27,300,783	15,650,079
5,201,623	Housing Revenue Account	7,347,287	3,603,074	-
51,390,116	Total	55,868,287	30,903,857	15,650,079
Financing				
3,172,359	Self-Financed Prudential Borrowing	-	-	-
32,496,537	Government Grants	26,879,829	24,600,999	15,271,000
716,948	Other Grants	-	-	-

608,185	Other Contributions	426,381	-	-
2,017,499	Revenue Contributions to Capital	1,269,659	250,000	-
3,512,818	Major Repairs Allowance	5,441,865	3,603,074	-
8,865,770	Corporate Resources (Capital Receipts/ Prudential Borrowing)	21,850,553	2,449,784	379,079
51,390,116	Total Financing	55,868,287	30,903,857	15,650,079

9.22. Proposed Future Schemes

Due to current uncertainties around future capital finance resources, both in terms of external grant funding and internal capital receipts to be generated from the disposal of surplus assets, the Council is currently not in a position to produce a new comprehensive Capital Strategy for future years. This document is a holding position based on the previous strategy.

9.23. The Council is developing business cases for a number of proposed large schemes, however and at this stage the business cases are not finalised or are awaiting confirmation of external funding. As a result these schemes cannot be considered at this point for inclusion in the capital programme. Reports will come forward to consider these once the business cases have been finalised. These reports will also consider the financial implications of the Council financing these schemes, as there is no provision for these within the existing capital programme.

9.24. Capital Receipts

Capital receipt projections are based on current projections of assets to be disposed, the estimated capital receipt they will generate from disposal and the financial year in which the disposal will be completed. There is a high level of risk in these projections as they are subject to changes in property and land values and the actions of potential buyers. Based on the current projected capital receipts and the revised allocated capital receipts; Table 9 shows the capital receipts position across the years of the capital programme.

Table 9: Capital Receipts Projections 2016/17 to 2018/19

	2016/17 £	2017/18 £	2018/19 £
Corporate Resources Allocated in Capital Programme	21,850,553	2,449,784	379,079
To be allocated from Ring Fenced Receipts	5,330,230	-	-
Total Commitments	27,180,783	2,449,784	379,079

Capital Receipts in hand/projected:			
Estimated carry forward	8,554,300*		
Projected - Green	5,200,263	50,000	50,000
Total in hand/projected	13,754,563	50,000	50,000
In year Shortfall / (Surplus) to be financed from additional capital receipts / Prudential Borrowing	13,426,220	2,399,784	329,079
Further Assets Being Considered for Disposal	9,519,545	9,850,000	400,000

* Dependant on outturn position 2015/16 and capital receipts generated in 2015/16.

- 9.25. The above capital receipt projections for 2016/17 to 2018/19 are based on current scheduled disposals that are profiled for each year. However, a number of proposed disposals are subject to business case approval against the Councils disposal protocol. Those listed as Green are where it is rated as 'highly likely' that the disposals will be completed in year. In addition to these there are a number of further disposals that have been identified for potential disposal in future years. These receipts hold significant risk against delivery and therefore until the plans for disposal against these assets are formally agreed, these will not be included when considering the programmes affordability. On the basis that the current programme is unaffordable, further work is required on the deliverability of the list of assets being considered for disposal.
- 9.26. If the Council cannot generate the required level of capital receipts, the Council will need to further reduce or re-profile the capital programme or undertake prudential borrowing, which will incur revenue costs that are not budgeted in the revenue financial strategy.

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

Financial Strategy 2015/16 – 2020/21 – Cabinet 28th October 2015

Financial Strategy 2015/16 – 2020/21 – Cabinet 9th December 2015

Cabinet Member (Portfolio Holder)

Malcolm Pate

Local Member

All

Appendices

Appendix 1 – Resource Projections

Appendix 2 – Expenditure Projections

Appendix 3 – 16/17 Saving Proposals

Appendix 4 – Capital Budget 2016/17 – 2018/19

Appendix 5 – Highways and Transport Capital Programme 2016/17

Appendix 6 - Cabinet Report of the Budget 2016/17 Task & Finish Group - 10
February 2016

SHROPSHIRE COUNCIL - NET AND GROSS RESOURCES PROJECTIONS SUMMARY 2016/17 to 2018/19

APPENDIX 1

	2015/16 Final £ Council 26 February 2015	2016/17 Revised Cabinet 27 January 2016	2016/17 Revised Cabinet 17 February 2016	2015/16 & Beyond Notes & Assumptions	2017/18 Revised Cabinet 27 January 2016	2017/18 Revised Cabinet 17 February 2016	2018/19 Revised Cabinet 27 January 2016	2018/19 Revised Cabinet 17 February 2016
RSG	43,760,146	31,565,931	31,565,931	2015/16 Final Settlement. 2016/17 and future years based on Final Settlement 8 February 2016	20,447,511	20,447,511	13,301,166	13,301,166
Business Rates Retention Allocation:								
NNDR (as raised and then retained locally) including appeals provision	39,166,165	40,269,084	38,746,737	NNDR1 2015-16 figure. Growth going forward of 0.8% and Multiplier increase of 2%	41,403,062	39,447,278	42,568,972	40,160,485
Top Up	10,036,372	10,119,908	10,119,908	2015/16 Final Settlement. 2016/17 and future years based on Final Settlement 8 February 2016	10,318,949	10,318,949	10,623,367	10,623,367
Safety Net Payments								
Prior year adjustments (e.g. correction to safety net payments)								
TOTAL START UP FUNDING RECEIPT:	92,962,683	81,954,923	80,432,576		72,169,522	70,213,738	66,493,505	64,085,018
		(1,496,864)			(2,992,910)		(1,457,475)	
Return of amounts topsliced from RSG/BRRRA Allocation								
Share of £2bn unused New Homes Bonus topslice	394,940	0	0	Final Local Government Finance Settlement				
Share of returned damping (unused safety net held back)				This may be an in year bonus. More information required				
TOTAL FUNDING FROM CENTRAL/LOCAL SHARE	93,357,623	81,954,923	80,432,576		72,169,522	70,213,738	66,493,505	64,085,018
<i>Movement on previous year's funding</i>								
Taxbase	102,411	104,912	104,912	Actual taxbase for 2015/16 and 2016/17. Increase in Council Tax Taxbase assumed for 2017/18 and future years increased to 0.5% from 0.8%	105,752	105,752	106,598	106,598
Council Tax Income	119,280,524	127,068,947	127,068,947	Council tax increase of 3.99% 2016/17 and future years	133,196,482	133,196,482	139,618,587	139,618,587
Collection Fund Surplus- Council Tax	4,138,464	500,000	2,987,003	Based on Previous years	500,000	500,000	500,000	500,000
Business Rates Collection fund	(934,051)	(2,594,000)	(5,961,407)	Based on previous years	(500,000)	(500,000)	(500,000)	(500,000)
TOTAL NET RESOURCES -2014-15 onwards	215,842,560	206,929,870	204,527,118		205,366,003	203,410,220	206,112,092	203,703,605
Difference from last Strategy		(1,496,864)	(2,402,751)		(2,992,910)	(1,955,784)	(1,457,475)	(2,408,487)

	2015/16 Revised Council 26 February 2015	2016/17 Revised £ Cabinet 27 January 2016	2016/17 Revised £ Cabinet 17 February 2016	2014/15 Notes & Assumptions	2017/18 Revised Cabinet 27 January 2016	2017/18 Revised Cabinet 17 February 2016	2018/19 Revised Cabinet 27 January 2016	2018/19 Revised Cabinet 17 February 2016
GOVERNMENT GRANTS	253,747,100	254,963,703	256,239,350	Latest Information on Specific Grants	256,156,169	254,951,330	253,893,036	249,654,730
OTHER GRANTS & CONTRIBUTIONS	32,225,880	26,511,470	32,619,780	Revised in line with Growth projections	26,511,470	32,619,780	26,511,470	32,619,780
FEES & CHARGES	56,100,805	60,646,769	60,900,260	Revised in line with latest projections	63,672,593	66,080,165	66,954,155	71,371,297
INTERNAL MARKET & INTERNAL RECHARGES								
Internal Recharges only	18,462,465	18,462,465	11,090,250	Revised in line with latest projections	18,462,465	11,090,250	18,462,465	11,090,250
Total Income outside of Net	360,536,250	360,584,407	360,849,640		364,802,697	364,741,525	365,821,126	364,736,057
TOTAL GROSS RESOURCES - 2013-14 onwards, after income Savings	576,378,810	567,514,276	565,376,758		570,168,701	568,151,744	571,933,218	568,439,661

SHROPSHIRE COUNCIL - Expenditure projections 2016/17 to 2018/19							APPENDIX 2
	2015/16 26 Feb 2015 £	2016/17 27 January 2016 £	2016/17 17 February 2016 £	2017/18 27 January 2016 £	2017/18 17 February 2016 £	2018/19 27 January 2016 £	2018/19 17 February 2016 £
Expenditure							
Original Gross Budget Requirement	561,250,666	576,378,810	576,378,810	588,810,418	596,902,316	603,329,113	616,120,791
Monitoring Issues identified in 2014/15 with ongoing implications							
- Asset Sales - Removal of income stream	50,000						
Inflation - Estimated							
- Prices	2,796,947	5,006,995	5,006,995	2,411,736	2,411,736	2,595,592	2,595,592
- Pay 1% award	710,957	1,991,292	1,991,292	1,597,392	1,597,392	1,613,332	1,613,332
- Pay Increment	872,769						
- Pension Costs - see NHB below and Savings							
- Auto Enrolment (impacts 2017/18)-To Be Estimated							
- NI Changes		2,000,000	2,000,000				
- Apprenticeships		500,000	500,000				
- Minimum Wage Impact		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Committed Growth							
- Debt Charges (Reduced as part of Savings)	1,000,000	1,000,000	1,000,000				
New Growth							
- Demography for Adults and Children		10,696,575	10,696,575	6,232,765	6,232,765	6,724,512	6,724,512
- Demography: Adults	1,758,000						
- Demography: Childrens services	1,183,000						
New Pressure- Transfer of Grants into Settlement Funding - Care Act 2014 and Lead Flood		1,970,870	1,970,870				
New Pressures - Adults Additional Growth Projections			11,180,940		7,180,270		6,698,570
New Service Pressures							
New Investment funding- One year only	(2,000,000)						
Changes to Expenditure Reflected in Resources							
Specific Grant Changes from Previous Year Including New Responsibilities	6,277,870	(4,497,807)	2,492,253	1,192,466	-1,288,024	-2,263,133	-5,296,603
Income Changes			-10,079,103				
Benefits (assume at same level as reduction in Resources)							
Change in Ctax Tax base and NNDR allocated to demographic growth	3,194,709	8,350	8,350	8,392	8,392		
Council tax freeze Grant rolled in to base funding (see Above change in specific grants)	1,307,360	-1,307,360	-1,307,360				
Use of NHB Smoothing - see Pension Costs above	(1,609,000)	715,000	715,000				
Spare Pension budget used to offset unachievable savings		876,000	876,000				
Reallocation of Business Rates Appeals Base Budget	(2,277,816)						
Additional Contribution to offset Delay in Savings Achievement	2,277,816						
The adjustment below allow one off Resources to be included in the base in one year and removed in the following year. Use of one off resources in 2015/16 was detailed in the 26 February 2015 Council Report.							
Contributions to Savings for changes in Projections							
- Net Growth Change	2,167,600	-3,749,700	-3,749,700				
- Net Resources Change-14/15 one year only	(2,454,351)						
- Net Resources Change-15/16 one year only	(170,339)	170,339	170,339				
Surplus Settlement funding - one off	1,000,841	(1,086,048)	-1,086,048	-1,704	-1,704		
Surplus Collection fund - One off, allocation below	3,204,413	(3,204,413)	-3,204,413				
Allocate to keep gap at £80m	(478,928)	284,425	284,425	194,503	194,503		
Adjustment to Resource Projection - RSG, 2015/16 only		2,151,090	2,151,090	-210,855	-210,855		
Adjustment to Business rates Collection Fund		-2,094,000	-2,094,000	2,094,000	2,094,000		
Gross Budget Requirement (Including Internal Recharges) Before Savings	580,062,514	588,810,418	596,902,316	603,329,113	616,120,791	612,999,416	629,456,194
Changes in Gross in 2014/15	16,452,665						
2015/16 Savings from Base Budget	-20,136,369						
Gross Budget Requirement (Excluding Internal Market)	576,378,810	588,810,418	596,902,316	603,329,113	616,120,791	612,999,416	629,456,194

Appendix 3

Summary – 2016/17 Revised Savings Proposals

Directorate	SBM Proposed 2016/17 Saving (£'000)
Children's Services	3,831
Adult Services	5,185
Commissioning Services	6,262
Public Health	620
Resources and Support	2,025
Corporate	5,128
Total Revised Savings (Cabinet 9 December 2015)	23,051
Budget Virement (Base Budget Saving to Adult Services – Cabinet 9 December 2015)	1,382
One-Off Resources used as Savings (Cabinet 9 December 2015)	9,357
Rural Services Delivery Grant (Cabinet 27 January 2016)	1,633
One-Off use of Unallocated New Homes Bonus (Cabinet 27 January 2016)	1,835
Additional Rural Services Delivery Grant as a result of the Final Local Government Settlement (Paragraph 6.2)	4,940
Additional Transition Grant as a result of the Final Local Government Settlement (Paragraph 6.3)	575
On-going release of Minimum Revenue Provision (MRP) (Paragraph 6.12)	2,402
Unspent New Homes Bonus (Paragraph 6.18)	2,312
Total Saving Proposals	47,487
Funding Gap (Updated 17.02.16) (see paragraph 7.6)	47,487

Appendix 3

Children's Services – 2016/17 Revised Savings Proposals

Redesign Piece	Business Plan Heading	SBM Proposed 2016/17 Saving (£000s)
Outcomes for Customers	Redesign and transfer of Education Support Services to ip&e (Inspire to Learn) and secure commissioning arrangements and retained team	650
Outcomes for Customers	Redesign early support and assist provision	1,210
Zero Based Budgets & Business Planning	Review current residential provision and increase assessment capacity. Review mix of provision. Review practice of assessing children's ongoing need to be Looked After. Closure of Children's homes. Expansion of local provision, wider range of provision at a local level for 16/17 year old care leavers. Block contract - renegotiate contract, unit cost and numbers of residential provision for Looked After Children	1,321
Outcomes for Customers	Analyse Children's back office processes: administration; use of IT; impact of rurality.	650
	TOTAL	3,831

Appendix 3

Adult Services – 2016/17 Revised Savings Proposals

Redesign Piece	Business Plan Heading	SBM Proposed 2016/17 Saving (£'000)
Outcomes for Customers	Adults - Securing External Funding RE Care Act - This was shown Red and slipped to 2016-17 in P6 as it has only been agreed on a one year basis - assuming from communication that there is potential to receive this again next year, but no confirmation of this.	2,009
Renegotiate Contracts	Adults Purchasing - Reduced package costs at Derwen - Achievable 2015-16	23
Renegotiate Contracts	Adults Purchasing - Ordinary Residence Savings with Manchester and East Sussex - Achievable 2015-16	158
Renegotiate Contracts	Adults Purchasing - Moving 75 Residence from Residential Care to Supported Living	900
Zero Based Budgets and Business Planning	Adults Purchasing - High Cost Dom Care Packages OP - Potential for £120k in 2015-16.	240
Zero Based Budgets and Business Planning	Adults Purchasing - High Cost Dom Care Packages PD	206
Zero Based Budgets and Business Planning	Adults Purchasing - High Cost Dom Care Packages LD	229
Renegotiate Contracts	Adults Purchasing - Enforce Framework Rates for Dom Care and ISF's - Potential for £200k in 2015-16	500
Renegotiate Contracts	Adults Purchasing - Framework for Residential and Nursing Care	397
Renegotiate Contracts	Adults Purchasing - Commissioning savings on Tender Envelopes	25
Outcomes for Customers	Adults - Day Services - Working in Partnership with Providers to deliver efficiencies where possible.	50
Renegotiate Contracts	Adults Substance Misuse - Contribution no longer required as a result of Commissioning Savings	63
Outcomes for Customers	Adults Staffing - EDT Savings achieved on an ongoing basis	49
Outcomes for Customers	Adults - Savings Strategy still to be developed	337
	TOTAL	5,185

Appendix 3

Commissioning – 2016/17 Revised Savings Proposals

Redesign Piece	Business Plan Heading	SBM Proposed 2016/17 Saving (£000s)
Outcomes for Customers	Review of waste collection model, leading to increased recycling and improved service delivery	250
Trade for Public Profit	Create commercial activity within the wider Regulatory and Business Support Services model	500
Renegotiate Contracts	Review and renegotiate contracts across Commissioning Directorate with a view to redesigning or reducing demand to meet lower cost allowances	979
Outcomes for Customers	Redesign of Planning Policy that will lead to an aligned offer alongside other redesigned areas	300
Outcomes for Customers	Redesign of the Outdoor Recreation Service that will lead to locally led approaches with a focus on physical activity	237
Outcomes for Customers	Redesign of Business and Enterprise function that will lead to an end to end offer for the business community	99
Outcomes for Customers	Redesign of a new Visitor Economy model including museum services and visitor attractions	246
Outcomes for Customers	Modernisation of processes and creation of efficiencies within Theatre Services	97
Outcomes for Customers	Maximising income and efficiencies at workshops and employment land	51
Outcomes for Customers	Review of joint use Leisure Facilities to identify how they are best delivered on a local basis	46
Outcomes for Customers	Continued redesign across Positive Activities and Arts Development in line with the wider commissioning model	128
Outcomes for Customers	Further efficiencies within the Community Enablement Team (CET)	45
Outcomes for Customers	Redesign the Libraries service, identifying alternative delivery models on a local basis and creating community hubs in market towns	585
Outcomes for Customers	Redesign Environmental Maintenance function, increasing income generation where possible	1,697
Outcomes for Customers	Redesign of Highways and Transport function, reviewing provision of car parking and transport solutions	635
A Workforce the Fits	Appropriately re-size the workforce to ensure an efficient and customer focussed organisation. Voluntary Redundancy proposals within Commissioning Directorate	367
	TOTAL	6,262

Appendix 3

Public Health – 2016/17 Revised Savings Proposals

Redesign Piece	Business Plan Heading	SBM Proposed 2016/17 Saving (£'000)
Zero Based Budgets and Business Planning	Reduction in Coroners Expenditure	25
Zero Based Budgets and Business Planning	Reduction in Registrar Expenditure and Increased Income Generation	20
Zero Based Budgets and Business Planning	Reduction in Emergency Planning Expenditure	40
Zero Based Budgets and Business Planning	Reduction in Targetted Mental Health in Schools Expenditure	50
Zero Based Budgets and Business Planning	Reduction in Shropshire Partnership Expenditure	20
A workforce that fits	Senior Management Salary Savings	90
A workforce that fits	General Staff Turnover replaced by Utilisation of Funded Work Experience Placements	25
Renegotiate Contracts	Help2Change Commissioning Savings - Expanding Income Generating Opportunities	198
Zero Based Budgets and Business Planning	Reduction in Training Budgets	10
Zero Based Budgets and Business Planning	Reduction in General Office Costs	16
Renegotiate Contracts	Reduction in Mental Health Contract with Chester University	10
Zero Based Budgets and Business Planning	Reduction in Chlamydia Screen Budget - T&W Contract	9
Zero Based Budgets and Business Planning	Reduction in EHC Pharmacy Payments Budget	3
Renegotiate Contracts	Reduction in Health Intellegence Contract with Shrewsbury Hospital Library -	9
Renegotiate Contracts	Removal of Illy IT Budget - Substance Misuse	16
Renegotiate Contracts	Detoxification Beds - Revised Contract	80
	TOTAL	620

Appendix 3

Resources & Support – 2016/17 Revised Savings Proposals

Redesign Piece	Business Plan Heading	SBM Proposed 2016/17 Saving (£000s)
Zero Based Budgets and Business Planning	Reduction on contract values – Communication Team	30
A workforce that fits	Planned staffing reduction to ensure a workforce that fits and other efficiency savings – Legal and Democratic and Strategic Planning	97
A workforce that fits	Planned staffing reduction to ensure a workforce that fits - Finance	12
A workforce that fits	Planned staffing reduction to ensure a workforce that fits – Strategic Planning	26
A workforce that fits	Planned staffing reduction to ensure a workforce that fits – General Administration Support	14
Zero Based Budgets and Business Planning	Reduction on contract values – Business Design Team	130
Sell Assets we don't need	Vacation of North Shropshire HQ	64
Sell Assets we don't need	Vacant Whitehall	128
A workforce that fits	Planned staffing reductions to ensure a workforce that fits – Commercial Services	50
Sell Assets we don't need	Vacant Guildhall	221
Sell Assets we don't need	New income streams from agreed new external rents and income generation from Premises Services	80
Zero Based Budgets and Business Planning	Planned re-design of Customer Access and Support Services	481
Zero Based Budgets and Business Planning	Teams already reduced and subject to further reductions as per existing Business Plan – Finance Transaction, Revs and Bens, Audit, Insurance	150
Zero Based Budgets and Business Planning	Review of services and workforce – Legal Services	169
Zero Based Budgets and Business Planning	Release of surplus Carbon Reduction Commitment provision budget	372
	TOTAL	2,025

Appendix 3

Corporate – 2016/17 Revised Savings Proposals

Redesign Piece	Business Plan Heading	SBM Proposed 2016/17 Saving (£000s)
Zero based Budgets and Business Planning	Debt Charges reduction as a result of funding for the capital programme from capital receipts	1,000
Zero based Budgets and Business Planning	Increased base budget allocation from New Homes Bonus	500
Zero based Budgets and Business Planning	Pension Deficit allocation not allocated	2,300
Zero based Budgets and Business Planning	Remove General Fund Balance base budget contribution	409
Zero based budgets and business planning	Treasury Management – increased interest allocation to General Fund and reduction in MRP	919
	TOTAL	5,128

Scheme Description	Code	Project Manager	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Further Details
Commissioning						
Waste Management						
In Vessel Composting Facility	K6WM0	P Beard	325,000	-	-	
Total			325,000	-	-	
Bereavement Services						
Mytton Oak Remembrance Park - Shrewsbury	K6BS1	T Sneddon	30,000	-	-	
Total			30,000	-	-	
Highways & Transport - LTP						
Structural Maintenance of Bridges & Structures						
		T Sneddon	2,129,910	3,500,000	1,500,000	See appendix 2 further breakdown of programme.
Structural Maintenance of all Roads						
		Various	13,496,751	10,493,000	11,101,000	See appendix 2 further breakdown of programme.
Street Lighting						
		J Hughes	800,000	800,000	800,000	See appendix 2 further breakdown of programme.
Local Transport Plan - Integrated Transport Plan						
Integrated Transport Plan						
		V Merrill	1,104,148	1,000,000	1,000,000	See appendix 2 further breakdown of programme.
Total Highways & Transport - LTP			17,530,809	15,793,000	14,401,000	
LEP Schemes						
LEP Shrewsbury Integrated Transport Package	KIT01	A Evans	2,850,000	3,300,000	1,179,079	
Total			2,850,000	3,300,000	1,179,079	
Flood Defences & Water Management						
Much Wenlock - Flood & Water Management	K6FW1	D Edwards	1,312,000	-	-	
Craven Arms - Flood & Water Management	K6FW2	D Edwards	20,000	-	-	
Church Stretton - Flood & Water Management	K6FW3	D Edwards	-	35,000	-	
Shifnal - Flood & Water Management	K6FW4	D Edwards	150,000	150,000	-	
Oswestry - Flood & Water Management	K6FW5	D Edwards	5,992	-	-	
Shrewsbury - Flood & Water Management	K6FW6	D Edwards	32,862	-	-	
Shropshire IPP Scheme Phase 1	K6FWA	D Edwards	69,570	36,000	-	
Shropshire Slow the Flow Project	KEF01	D Edwards	100,000	70,000	70,000	
Total			1,690,424	291,000	70,000	
Environmental Maintenance - Depots						
Depot Redevelopment - Unallocated	K6H03	S Brown	78,605	-	-	
Depot Redevelopment - Craven Arms	K6H08	S Brown	70,000	-	-	
Depot Redevelopment - Stourbridge Road, Bridgnorth	K6H09	S Brown	60,000	-	-	
Depot Redevelopment - Stourbridge Road Bridgnorth - Salt Dome	K6H10	S Brown	100,000	-	-	
Depot Redevelopment - Manor House Lane Store	K6H11	S Brown	50,000	-	-	
Depot Redevelopment - Ice Station Replacement	K6H12	S Brown	100,000	-	-	
Total			458,605	-	-	
Total Commissioning			22,884,838	19,384,000	15,650,079	
Commissioning - Heads of Service						
Economic Growth & Prosperity						
Visitor Economy						
Theatre Services						
Theatre Severn - Major Maintenance Improvement Works	KBT01	L Cross	7,600	-	-	
Total			7,600	-	-	
Enterprise & Business						
Shropshire Small Business Loan Scheme - Phase 1	KED32	C Cox	100,000	-	-	
Shropshire Small Business Loan Scheme - Phase 3	KBE01	C Cox	405,140	-	-	
Total			505,140	-	-	
Outdoor Recreation						
Oswestry Play & Recreational Improvements	K5BC7	M Blount	50,000	-	-	
Snailbeach Lead Mine Higher Level Stewardship	K5T53	C Dean	6,048	-	-	
Mere Wardens Bungalow Refurbishment	KBR05	M Blount	50,000	-	-	
Total			106,048	-	-	
Infrastructure & Growth - Growth Point						
Shrewsbury Growth Point	K6GP1	A Stirling	713,499	-	-	
Shrewsbury Vision	K6GP4	A Stirling	100,000	-	-	
Flaxmill Project - Implementation	K6FM1	A Stirling	1,000,000	-	-	
Shrewsbury Vision - New Riverside Development	K6HR1	A Stirling	3,800,000	-	-	
Total			5,613,499	-	-	
Natural Build & Historical Landscape						
Historic Environment Grants	K6HE1	A Mortimer	20,000	-	-	
Old Rectory, Whitchurch Section 106	KBN01	A Mortimer	212,846	-	-	
Total			232,846	-	-	
Planning Policy - Affordable Housing						
Affordable Housing - Rolling Fund	K6AHG	A Mortimer	200,580	-	-	
Shrewsbury Self Build Scheme	K6AHT	A Mortimer	100,000	-	-	
Drapers Almshouses	K6AHU	A Mortimer	120,000	-	-	
Ellesmere Rd, Shrewsbury - Extra Care Scheme	KBH01	A Mortimer	170,000	-	-	
Total			590,580	-	-	
Broadband						
Broadband Project - Milestone 0	KB000	C Taylor	89,423	-	-	
Broadband Project - Milestone 1	KB001	C Taylor	3,062,309	-	-	
Broadband Project - Milestone 2	KB002	C Taylor	1,674,301	-	-	
Broadband Project - Milestone 3	KB003	C Taylor	1,749,657	-	-	
Total			6,575,690	-	-	
Total Economic Growth and Prosperity			13,631,403	-	-	
Public Protection						
Private Sector Housing						
Oswestry Area Empty Property Incentive Grant	K5P15	K Collier	41,970	-	-	
Whitchurch Area Empty Property Incentive Grant	K5P17	K Collier	120,000	-	-	
Shropshire County Empty Property Incentive Grant	KPS01	K Collier	300,000	250,000	-	
Total			461,970	250,000	-	
Total Public Protection			461,970	250,000	-	
Total Commissioning			36,978,211	19,634,000	15,650,079	

Please contact: James Walton on 01743 255011

Adult Services						
Social Care						
Community Capacity Grant	KA000	R Houghton	20,000	-	-	<i>New grant allocation awaited</i>
Telecare Call Monitoring	K5B88	R Houghton	130,000	-	-	
IT Mobile Flexible Working	K5B89	R Houghton	130,000	-	-	
Development Trust Development - Raven Site, Market Drayton	K5B94	R Houghton	100,000	-	-	
Adult Social Care Community Capital Grant Scheme	K5B01	R Houghton	39,000	-	-	
IT Hardware - Implementation of Care Bill	K5B02	R Houghton	180,000	-	-	
Baschurch Assisted Living Bungalow - Phase 3	K5B04	R Houghton	60,000	-	-	
London Road Assisted Living Bungalow - Phase 4	K5B05	R Houghton	450,000	-	-	
Adult Social Care Bungalow - Phase 5	K5B06	R Houghton	470,000	-	-	
Refurb The Meres for Library Services	KA005	R Houghton	40,000	-	-	
Total			1,619,000	-	-	
Housing Health & Wellbeing						
Disabled Facilities Grants	K5P03	A Begley	400,000	-	-	<i>New grant allocation awaited</i>
Total			400,000	-	-	
Total Adult Services			2,019,000	-	-	
Children's Services						
Learning & Skills						
Early Years						
Early Years Unallocated	KLE00	N Ward	74,143	-	-	
Ludlow Jnr Demountable Reconfiguration	KLE02	N Ward	200,000	-	-	
Cressage EY Demountable Refurb	KLE04	N Ward	43,366	-	-	
Broseley John Wilkinson Primary Early Years	K3L11	N Ward	249,895	-	-	
Worthen Primary Early Years	K3L12	N Ward	130,000	-	-	
Whitchurch Children's Centre	K3L14	N Ward	148,925	-	-	
Total			846,329	-	-	
Primary Schools						
Primary School Refurbishment Unallocated	KLP00	P Wilson	26,941	-	-	
Highley - Reconfigure Office Area & Accessible Toilet	K3A08	P Wilson	89,382	-	-	
Kinlet Primary - Heads Office/PPA/Lobby Works	K3A54	P Wilson	80,645	-	-	
Worthen Primary - Secure Lobby	K3A59	P Wilson	76,541	-	-	
Longnor Toilet refurbishment	KLP04	P Wilson	32,700	-	-	
Total			306,209	-	-	
Basic Need						
Basic Need Unallocated	KLB00	P Wilson	750,415	2,213,797	-	
Shrewsbury Mount Pleasant	KLB01	P Wilson	280,000	-	-	
St. Lawrence CE Primary School, Church Stretton	KLB02	P Wilson	280,000	-	-	
Shifnal Primary	KLB03	P Wilson	280,000	-	-	
Shrewsbury North Primary - Site TBC	KLB04	P Wilson	20,000	280,000	-	
Market Drayton Infant/Junior - Site TBC	KLB05	P Wilson	20,000	280,000	-	
Shifnal St Andrews	KLB06	P Wilson	40,000	560,000	-	
Sundome Infants/Harlescott Junior - Site TBC	KLB07	P Wilson	-	300,000	-	
Market Drayton Primary	KLB08	P Wilson	-	300,000	-	
Shifnal St Andrews	KLB09	P Wilson	-	300,000	-	
Total			1,670,415	4,233,797	-	
School Amalgamations						
School Amalgamations Unallocated	KLA00	P Wilson	124,078	-	-	
Total			124,078	-	-	
Secondary Schools						
Secondary School Refurbishment Unallocated	KLS00	P Wilson	130,000	-	-	
Total			130,000	-	-	
Universal Infant Free School Meals						
School Kitchen Unallocated (Capitalised DSG)	KLK00	P Wilson	284,265	-	-	
St John the Baptist, Ruyton XI Towns - Extend Kitchen	KLK05	P Wilson	56,641	-	-	
Total			340,906	-	-	
Condition						
Condition Unallocated	KL000	P Wilson	3,932,986	3,432,986	-	
St George's Roofing & Guttering Issues	K3RJ9	P Wilson	19,620	-	-	
Meole Brace Primary - Re-roof (Southeast) flat roofs	K3RK4	P Wilson	18,759	-	-	
Belvidere Primary - Window replacements to main school	KL032	P Wilson	4,905	-	-	
Ludlow Secondary - Boiler & Controls Upgrade	KL039	P Wilson	54,358	-	-	
Whitchurch Junior - Boiler & Controls Upgrade	KL044	P Wilson	58,635	-	-	
Albrighton - Repair of Roof & Brickwork to Gas Meter	KL048	P Wilson	6,540	-	-	
Beckbury School House - Felt Underside of Roof & Replace	KL049	P Wilson	21,800	-	-	
Mary Webb - Dining Room Roof, Drainage	KL057	P Wilson	24,627	-	-	
John Wilkinson Primary - Improvement Storm Drainage to GP Room/Libr	KL059	P Wilson	4,360	-	-	
Stoke on Tern - Replacement Windows to Rear Elevation	KL060	P Wilson	22,350	-	-	
Stiperstones - Repairs to Demountable	KL062	P Wilson	5,450	-	-	
St Giles - 1st Phase Rewire	KL066	P Wilson	16,100	-	-	
Kinlet - Replacement of Rotten Timber Suspended Floor to Old Classroom	KL069	P Wilson	21,723	-	-	
Moreton Say - Re-Roofing of Original Main Building	KL071	P Wilson	65,400	-	-	
Albrighton, St Marys - Part Reroof Infants	KL083	P Wilson	65,400	-	-	
Alveley - replace rotten timber classroom external doors.	KL093	P Wilson	6,540	-	-	
Hinstock - Demountable windows	KL113	P Wilson	13,080	-	-	
Ludlow Secondary - Rewire Phase 1	KL123	P Wilson	33,678	-	-	
Ellesmere Primary - Suney Ducts	KL126	P Wilson	16,350	-	-	
Church Preen - Phase 1 Rewire	KL128	P Wilson	10,900	-	-	
Ludlow Infants - Replacement Windows	KL129	P Wilson	10,900	-	-	
Longnor - Retaining Wall	KL130	P Wilson	3,270	-	-	
Much Wenlock Primary - Insulate Roof Space	KL132	P Wilson	10,900	-	-	
Ludlow Secondary - Replace Kitchen Windows	KL136	P Wilson	10,900	-	-	
Selattyn - Phase 1 Heating	KL138	P Wilson	16,350	-	-	
Farlow - Retaining Wall	KL140	P Wilson	10,900	-	-	
Total			4,486,781	3,432,986	-	
Fire Safety Schemes						
Fire Safety - Unallocated	KLF00	P Wilson	150,000	-	-	
Total			150,000	-	-	
Special Education Needs						
Schools Access Initiative Unallocated	KLD00	P Wilson	249,047	-	-	
Total			249,047	-	-	
Devolved Formula Capital						
			1,000,000	-	-	
Total Learning & Skills			9,303,765	7,666,783	-	
Total Children's Services			9,303,765	7,666,783	-	

Resources & Support						
Assets & Estates - Small Holdings						
The Clamp - Smallholding Refurbishment	KCS03	S Law	50,000	-	-	
Total			50,000	-	-	
Assets & Estates - Gypsy Sites						
Gypsy Site - Park Hall, Oswestry	K6T01	S Law	50,000	-	-	
Gypsy Sites - Whittington Phase 2	K6T04	S Law	70,000	-	-	
Gypsy Sites - Craven Arms Phase 2	K6T05	S Law	50,000	-	-	
Total			170,000	-	-	
Total Resources & Support						
			220,000	-	-	
			-	-	-	
Total General Fund Capital Programme						
			48,520,976	27,300,783	15,650,079	
			-	-	-	
Housing Revenue Account						
Major Repairs Programme - SC Contracts						
Housing Major Repairs Programme	K5P01	A Begley	3,693,769	3,550,000	-	
Total			3,693,769	3,550,000	-	
Major Repairs Programme - STAR Housing Contracts						
STAR Rewires	K5R02	A Begley	50,000	-	-	
STAR Electrical Remedial Works	K5R04	A Begley	10,000	-	-	
STAR Roofing	K5R05	A Begley	300,000	-	-	
STAR Major Works	K5R06	A Begley	40,000	-	-	
STAR Kitchens & Bathrooms	K5R07	A Begley	350,000	-	-	
STAR Fire Safety Works	K5R08	A Begley	100,000	-	-	
STAR External Doors	K5R11	A Begley	150,000	-	-	
STAR Sewage Treatment Works	KSH01	A Begley	62,000	-	-	
STAR Asbestos Removal	KSH02	A Begley	50,000	-	-	
STAR Oswestry Castlefields Regeneration	KSH04	A Begley	150,000	-	-	
Total			1,262,000	-	-	
New Build Programme						
Housing New Build Programme - Phase 1	K5NB1	A Begley	99,913	-	-	
Housing New Build Programme - Phase 2	K5NB2	A Begley	2,291,629	53,074	-	
Total			2,391,542	53,074	-	
Total Housing Revenue Account						
			7,347,311	3,603,074	-	
			-	-	-	
Total Capital Programme						
			55,868,287	30,903,857	15,650,079	
			-	-	-	
Financing						
Self Financed Prudential Borrowing						
			-	-	-	
Government Grants						
Department for Transport			16,750,000	16,293,000	14,901,000	
Department for Health - Community Capacity Grant			-	-	-	<i>New grant allocation awaited</i>
Department for Health - Disabled Facilities Grants			-	-	-	<i>New grant allocation awaited</i>
Department for Education			-	-	-	
- Condition Capital Grant			3,432,986	3,432,986	-	
- Basic Need Capital Grant			1,795,273	1,784,013	-	
- Devolved Formula Capital			1,000,000	-	-	<i>New grant allocation awaited</i>
HCA - Travellers			170,000	-	-	
Environment Agency			1,381,570	291,000	70,000	
Local Enterprise Partnership (LEP) Fund			2,350,000	2,800,000	300,000	
			26,879,829	24,600,999	15,271,000	
Other Grants						
Other Grants			-	-	-	
Other Contributions						
Section 106			406,381	-	-	
Other Contributions			20,000	-	-	
			426,381	-	-	
Revenue Contributions to Capital						
			1,269,659	250,000	-	
Major Repairs Allowance						
			5,441,865	3,603,074	-	
Corporate Resources (expectation - Capital Receipts only)						
			21,850,553	2,449,784	379,079	
Total Confirmed Funding						
			55,868,287	30,903,857	15,650,079	
			-	-	-	

Appendix 5

Highway & Transport Capital Programme 2016/17							
The Department of Transport has confirmed allocations of capital highways funding to 2017/18 and indicative allocations for 2018/19 to 2020/21. The funding for the next 3 years is summarised below, together with the summary allocation of the budget and the detailed list of schemes to be delivered. In addition to the Highways Maintenance allocation on a needs-based formula, for 2016/17 onwards, there is a further £580 million that will be allocated nationally based on incentivising good asset management and efficiencies. Shropshire Council has submitted the required self-assessment exercise to Department for Transport and is waiting confirmation of the additional funding (indicative estimate £916,000) to be received for 2016/17.							
The highways capital maintenance programme is developed based on an Asset Management approach. With funding allocations based on using network intelligence gained from routine condition surveys as well as other sources of information; investment will be prioritised where it will achieve the greatest returns.							
Integrated transport schemes are prioritised based on the contributions to key objectives such as safety, network efficiency, environmental benefits and levels of local support.							
Highways and Partners are developing a much improved, coordinated and managed process for schemes and projects, via a centralised team, working directly with Ringway. The new Engineering consultancy contract will allow for new methods of delivery and procurement of work and schemes. However, the programme will be dynamic and there may be the need to deviate from the approved programme in year. As such, authority is delegated to the Area Commissioner South in consultation with the Portfolio Holder to approve any changes to the implementation plan of schemes for delivery in 2016/17, within the parameters of the outline capital programme.							
Funding in capital Programme				2016/17 £	2017/18 £	2018/19 £	
DfT - Maintenance Block				15,124,000	14,667,000	13,275,000	
DfT - Integrated Transport Block				1,626,000	1,626,000	1,626,000	
Capital Receipts/other contributions (Carry forward from 2015/16 for re-profiled schemes)				1,530,809	-	-	
				18,280,809	16,293,000	14,901,000	
Summary of Programme to be delivered		2016/17 Budget £	Financing			2017/18 Provisional Budget £	2018/19 Provisional Budget £
			DfT - Maintenance Block	DfT - Integrated Transport	Capital Receipts / Other Contributions		
Highways							
Structural Maintenance of Bridges & Structures							
Bridgeguard & Structure Programme		2,129,910	1,500,000		629,910	3,500,000	1,500,000
Structural Maintenance of Roads							
Countywide Programme							
Hodnet Bypass		263,488			263,488		
Major Resurfacing Programme		2,514,862	2,300,000		214,862		
Centrally Managed Ringway Surfacing Programme		2,805,500	2,805,500				
Countywide Patching Schemes Tender Package		1,101,843	1,051,000		50,843		
Drainage		275,000	275,000				
Depot Fixed Costs		1,200,000	1,200,000				
Countywide Roadmaster Programme		300,000	300,000				
Countywide Resurfacing Design Budget		118,600	118,600				
Countywide Programme Design & Engineer Fees		793,400	667,400	126,000			
Total Countywide Programme		9,372,693	8,717,500	126,000	529,193	-	-
North West Shropshire		975,100	955,100		20,000		
North East Shropshire		554,900	554,900				
South East Shropshire		787,412	597,700		189,712		
Central Shropshire		1,295,200	1,295,200				
South West Shropshire		511,446	453,600		57,846		
Contribution towards other schemes: Much Wenlock Flood Alleviation Scheme		250,000	250,000				
Total Structural Maintenance of Roads		13,746,751	12,824,000	126,000	796,751	-	-
Street Lighting							
Street Lighting		800,000	800,000			800,000	800,000
Integrated Transport							
Integrated Transport		1,104,148		1,000,000	104,148	1,000,000	1,000,000
Contribution towards other schemes: Shrewsbury Integrated Transport Package		500,000		500,000		500,000	500,000
		1,604,148	-	1,500,000	104,148	1,500,000	1,500,000
Total		18,280,809	15,124,000	1,626,000	1,530,809	5,800,000	3,800,000

Detailed Highways & Transport Capital Programme 2016/17									
COST CENTRE	LOCATION	STREET	LOCATION (From/To)	WORKTYPE	WORK DESCRIPTION	QUANTITY	UNIT	BUDGET £	
Structural Maintenance of Bridges & Structures									
KBG01	BRIDEGUARD - UNALLOCATED RESPONSIVE BUDGET	N/A		N/A		N/A	N/A	148,091	
KBG03	BRIDEGUARD - CONSULTANCY FEES	N/A		N/A		N/A	N/A	455,000	
KBG05	BRIDEGUARD - HADNALL CULVERT	N/A		N/A		N/A	N/A	581,036	
KBG07	BRIDEGUARD - SNAILBEACH RETAINING WALL	N/A		N/A		N/A	N/A	11,000	
KBG16	BRIDEGUARD - MYTTON BRIDGE RETENTION PAYMENT	N/A		N/A		N/A	N/A	6,324	
KBG17	BRIDEGUARD - BRIDGNORTH ENDOWED FOOTBRIDGE RET	N/A		N/A		N/A	N/A	3,750	
KBG18	BRIDEGUARD - TICKLERTON BRIDGE RETENTION	N/A		N/A		N/A	N/A	4,612	
KBG20	BRIDEGUARD - HIGH HOUSE LANE BRIDGE	N/A		N/A		N/A	N/A	14,097	
KBG28	BRIDEGUARD - BORETON ROAD BRIDGE	N/A		N/A		N/A	N/A	5,000	
KBG29	BRIDEGUARD - TIWMPATH BRIDGE	N/A		N/A		N/A	N/A	2,500	
KBG30	BRIDEGUARD - WHEELBARROW	N/A		N/A		N/A	N/A	127,500	
KBG32	BRIDEGUARD - EATON NO 3 BRIDGE	N/A		N/A		N/A	N/A	127,500	
KBG33	BRIDEGUARD - SANDYFORD BRIDGE	N/A		N/A		N/A	N/A	100,000	
KBG38	BRIDEGUARD - CATHERTON GATE CATTLE GRID	N/A		N/A		N/A	N/A	25,000	
KBG39	ROW - MORVILLE NO 1 FOOTBRIDGE	N/A		N/A		N/A	N/A	50,000	
KBG41	ROW - EATON BROOK FOOTBRIDGE	N/A		N/A		N/A	N/A	20,000	
KBG45	BRIDEGUARD - BRIDGNORTH BYPASS	N/A		N/A		N/A	N/A	120,000	
KBG46	BRIDEGUARD - DARK LANE BROSELEY RESERVOIR TANK	N/A		N/A		N/A	N/A	100,000	
KBG47	BRIDEGUARD - DUDLESTONE SCHOOL WEST BRIDGE	N/A		N/A		N/A	N/A	52,500	
KBG48	BRIDEGUARD - HENLEY LEDWYCHE BRIDGE	N/A		N/A		N/A	N/A	1,500	
KBG49	BRIDEGUARD - WINTERBURN BRIDGE	N/A		N/A		N/A	N/A	1,500	
KBG50	BRIDEGUARD - DEAN CULVERT BRIDGE	N/A		N/A		N/A	N/A	1,500	
KBG51	BRIDEGUARD - HARPSWOOD NO 2 CULVERT	N/A		N/A		N/A	N/A	1,500	
KBG52	BRIDEGUARD - CASTLEWALK FOOTBRIDGE SHREWSBURY	N/A		N/A		N/A	N/A	85,000	
KBG53	ROW - FORD FOOTBRIDGE	N/A		N/A		N/A	N/A	20,000	
KBG54	ROW - MILL MEADOW FOOTBRIDGE	N/A		N/A		N/A	N/A	30,000	
KBG55	ROW - HOGSTOW HALL FOOTBRIDGE	N/A		N/A		N/A	N/A	15,000	
KBG56	ROW - BROADWAY CLOSE FOOTBRIDGE	N/A		N/A		N/A	N/A	5,000	
KBG57	ROW - RINDLEFORD MILL FOOTBRIDGE	N/A		N/A		N/A	N/A	15,000	
Total Structural Maintenance of Bridges & Structures								2,129,910	
Structural Maintenance of Roads									
Structural Maintenance of Principal Roads									
Countywide									
Depot Fixed Costs - Principal									
K6P01	DEPOT FIXED COSTS - PRINCIPAL	N/A		N/A		N/A	N/A	400,000	
Major Schemes									
K6AA5	HODNET BYPASS	N/A		N/A		N/A	N/A	263,488	
Centrally Managed Ringway Principal Surfacing Programme									
KHPA1	CASTLE STREET, WHITTINGTON	CASTLE STREET	junction area	Surfacing	inlay	450	Sq M	9,000	
KHPA1	STATION ROAD, WHITTINGTON	STATION ROAD	Castle Street/Station Road junction	Surfacing	Machine Inlay	1000	Sq M	20,000	
KHPA1	A525 PREES ROAD ROUNDAABOUT TO BUSINESS PARK ROU	A525 TILSTOCK RBT-B5398 WAYMILLS JCT	A525 Shakespere Way roundabout to Prees R	Surfacing	Resurfacing Scheme	9296	Sq M	116,000	
KHPA1	THREE LANE SECTION HINSTOCK BY-PASS	NEWPORT ROAD	A41 Hinstock Bypass (Whole length - 3 lane se	Surfacing	Resurfacing Scheme	12840	Sq M	160,500	
KHPA1	THE HALL BANK, PONTESBURY ONE-WAY	HALL BANK	100m across end of Hinton Road	Surfacing	inlay	350	Sq M	7,000	
KHPA1	A488 FOX INN BRIDGE-DISTRICT BOUNDARY	A488 HOPESGATE JCT-SABC BDY	Hope valley re-surface and patching central b	Surfacing	Re-surface and structural patching			70,000	
KHPA1	A488 BRIDGE STREET CLUN	BRIDGE STREET		Surfacing		2744	Sq M	55,000	
KHPA1	A488 HIGH STREET CLUN	THE SQUARE		Surfacing		2800	Sq M	56,000	
								493,500	
Countywide Resurfacing									
KHP03	A529 SPOONLEY TO SOUTH LODGE JUNCTION - RETENTION	N/A	N/A		Retention Payment for 15/16 Schem	N/A	N/A	14,555	
KHP05	A53 ALBRIGHTLEE HOUSE TO BINGS HEATH - RETENTION	N/A	N/A		Retention Payment for 15/16 Schem	N/A	N/A	46,000	
KHP06	SPRING GARDENS - RETENTION	N/A	N/A		Retention Payment for 15/16 Schem	N/A	N/A	15,000	
KHP07	A488 KENNEL CROSSROADS TO LYDHAM - RETENTION	N/A	N/A		Retention Payment for 15/16 Schem	N/A	N/A	16,837	
KHP09	A489 SNEAD RO A488 JUNCTION - RETENTION	N/A	N/A		Retention Payment for 15/16 Schem	N/A	N/A	15,000	
KHP12	A489 HORDLEY - RETENTION	N/A	N/A		Retention Payment for 15/16 Schem	N/A	N/A	23,333	
								130,725	
Countywide Drainage									
KPS9F	A464-PARK STREET-END 30 MPH		Works in carriage way	Drainage Improvement	New outfall crossing A464			25,000	
KPS9F	UNALLOCATED RESPONSIVE BUDGET	N/A		N/A		N/A	N/A	167,000	
								192,000	
North West Shropshire									
Unallocated									
KHP1A	DIVISIONAL ANNUAL RESPONSIVE BUDGET - PRINCIPAL	N/A		N/A		N/A	N/A	50,000	
Surface Dressing									
KHP1F	A528 HIGHER ROAD, HARMER HILL(CHIPPING DUMP LAY B	A528 TUNNEL BANK TO COLEMERE WOODS	A528 COLEMERE JCT-A495 WELSHAMPTON JCT	Surface Dressing	Surface dressing 16/17	9500	Sq M	21,700	

Appendix 5

KHP1F	WILLOW STREET, ELLESMERE	A495 JUNCTION PERTHY TO ELLESMERE ROAD JUNCT	A495 PERTHY JCT-OSW RD ELLESMERE	Surface Dressing	Surface dressing 16/17	6000 Sq M	13,700	
KHP1F	TUNNEL BANK TO COLEMERE WOODS	A495 TUNNEL JCTN TO GEORGES WOOD NORTH SIDE	MERESIDE	Surface Dressing	Surface dressing 16/17	5200 Sq M	11,900	
							47,300	
North East Shropshire								
Unallocated								
KHP2A	DIVISIONAL ANNUAL RESPONSIVE BUDGET - PRINCIPAL	N/A		N/A		N/A	50,000	
Surface Dressing								
KHP2F	A529 MARKET DRAYTON NORTH LODGE TO MEIKLEJOHN F	A529 NEWPORT RD MD END-MEIKLEJOHN FM JCT	A529 MARKET DRAYTON NORTH LODGE TO MEI	Surface Dressing	Surface dressing 16/17	10318 Sq M	23,600	
KHP2F	A529 MARKET DRAYTON MEIKLEJOHN FARM TO HILLSIDE G	A529 MEIKLEJOHN FM JCT-NEWPORT RD	A529 MARKET DRAYTON MEIKLEJOHN FARM TC	Surface Dressing	Surface dressing 16/17	3518 Sq M	8,100	
KHP2F	A529, ADDERLEY, DE-RESTRICTION TO ADDERLEY ROAD	A529 ADDERLEY-CHESHIRE CTY BDY	A529, ADDERLEY, DE-RESTRICTION TO ADDERLE	Surface Dressing	Surface dressing 16/17	6260 Sq M	14,300	
KHP2F	A529 ADDERLEY ROAD 30MPH SECTION	ADDERLEY ROAD	A529 ADDERLEY ROAD 30MPH SECTION	Surface Dressing	Surface dressing 16/17	2148 Sq M	4,900	
KHP2F	A53, ADDERLEY ROAD ROUNDABOUT TO NEWCASTLE ROAI	A53 ADDERLEY RD RBT-NEWCASTLE RD	A53, ADDERLEY ROAD ROUNDABOUT TO NEWC	Surface Dressing	Surface dressing 16/17	15531 Sq M	30,800	
							81,700	
Kerbs, Footways & Cycle tracks								
KHP2J	A529, ADDERLEY, DE-RESTRICTION TO ADDERLEY ROAD	A529 ADDERLEY-CHESHIRE CTY BDY	Whole link	Footway reconstruction	Footway Re-surface	1220 Sq M	2,400	
KHP2J	A529 ADDERLEY ROAD 30MPH SECTION	ADDERLEY ROAD	Whole link	Footway reconstruction	Footway Re-surface	420 Sq M	800	
KHP2J	A529 MARKET DRAYTON 30 MPH TO DE-RESTRICTION	NEWPORT ROAD	Whole link	Footway reconstruction	Footway Re-surface	204 Sq M	400	
KHP2J	PROSPECT ROAD MINI RA TO FROGMORE ROAD MIN RA, N	CHESHIRE STREET	Whole link	Footway reconstruction	Footway Re-surface	681 Sq M	1,300	
KHP2J	A51 PIPEGATE (40 MPH SECTION TO DERESTRICTION)	A51 STAFFORD CTY BDY-IRELANDS CROSS	Whole link	Footway Slurry sealing	Slurry seal	1400 Sq M	2,600	
							7,500	
South East Shropshire								
Unallocated								
KHP4A	DIVISIONAL ANNUAL RESPONSIVE BUDGET - PRINCIPAL	N/A	N/A	N/A		N/A	50,000	
Resurfacing								
KHP4E	A442 KIDDERMINSTER ROAD ISLAND - END 30	N/A	N/A	Resurfacing	Budget Re-Profile from 15/16	N/A	156,000	
Special Allocation Projects								
KHP4P	SWANCOTE PROJECT	N/A	N/A	N/A	Budget Re-Profile from 15/16	N/A	26,183	
Central Shropshire								
Unallocated								
KHP5A	DIVISIONAL ANNUAL RESPONSIVE BUDGET - PRINCIPAL	N/A	N/A	N/A		N/A	75,000	
Resurfacing								
KHP5E	WEEPING CROSS ROUNDABOUT	SEVERE WEATHER LEGACY	N/A	Resurfacing	Resurfacing	N/A	300,000	
Surface Dressing								
KHP5F	ST MICHAELS STREET 570m	ST MICHAELS STREET	section	Surface Dressing	Surface dressing 16/17	4275 Sq M	13,800	
KHP5F	SPRING GARDENS 381m	SPRING GARDENS	Section	Surface Dressing	Surface dressing 16/17	2858 Sq M	9,200	
KHP5F	COUND JUNCTION TO RIVERSIDE INN	A458 COUND JCT-S-O SHREWSRD CRESSAGE	Full length of link/street	Surface Dressing	Surface dressing 16/17	11751 Sq M	37,800	
KHP5F	A5/A49 PRESTON ROUNDABOUT TO FIRST UNDERBRIDGE F	A49 PRESTON RBT-SUNDORNE RBT	Full length of link/street	Surface Dressing	Surface dressing 16/17	25270 Sq M	81,400	
KHP5F	BATTLEFIELD ROUNDABOUT TO NTH ENTRANCE TO BRAID	A49 BATTLEFIELD RD-SHREWSRD HADNALL	Full length of link/street	Surface Dressing	Surface dressing 16/17	13621 Sq M	43,900	
KHP5F	HARMER HILL 40MPH TO PRESTON GUBBALS	A528 FMR NTH SHROPS D.BDY-SHREWS RD	Full length of link/street	Surface Dressing	Surface dressing 16/17	10512 Sq M	33,500	
							219,600	
South West Shropshire								
Unallocated								
KHP6A	DIVISIONAL ANNUAL RESPONSIVE BUDGET - PRINCIPAL	N/A		N/A		N/A	50,000	
KHP6F	A488 THE LEA-DRIVE UPPER LURKENHOPE FARM	A488 TEME BRIDGE JCT-FIVE TURNINGS	A488 THE LEA-DRIVE UPPER LURKENHOPE FAR	Surface Dressing	Surface dressing 16/17	15422 Sq M	38,500	
KHP6F	A4117 SNIITON LANE TO BITTERLEY JUNCTION 60MPH SEC	A4117 SNIITON LN J-END 60MPH LONG HSE	B4364 Junc To Clee Hill 40mph	Surface Dressing	Surface dressing 16/17	36200 Sq M	44,000	
							82,500	
							Total Structural Maintenance of Principal Roads	2,675,496
Structural Maintenance of Secondary Roads								
Countywide								
Depot Fixed Costs - Secondary								
K6501	DEPOT FIXED COSTS - SECONDARY	N/A		N/A		N/A	800,000	
Centrally Managed Ringway Secondary Surfacing Programme								
KHSA1	QUEENS HEAD TO TWYFORD LANE	MAIN STREET	junction area	Surfacing	Overlay	250 Sq M	3,100	
KHSA1	SMITHFIELD STREET, OSWESTRY	SMITHFIELD STREET	All link	Surfacing	inlay	340 Sq M	6,800	
KHSA1	TRENCH VILLA SEVEN SISTERS TO JCT LION LANE	FROM TRENCH VILLA TO LION LANE JUNCTION		Surfacing	Overlay	8272 Sq M	103,400	
KHSA1	LLWYN ROAD ROUNDABOUT, OSWESTRY	LLWYN ROAD	Llwyn Road Roundabout	Surfacing	Machine Inlay	168 Sq M	3,300	
KHSA1	GITTIN STREET, OSWESTRY (CAER ROAD TO BEATRICE STRE	GITTIN STREET	Caer Road to Beatrice Street	Surfacing	Machine Inlay	927 Sq M	18,500	
KHSA1	RED HOUSE LANE, TREFLACH	RED HOUSE LANE		Surfacing	Overlay	900 Sq M	11,200	

Appendix 5

KHSA1	NEW STREET, OSWESTRY	NEW STREET	Willow Street Junction to o/s Wilkos	Surfacing	Paving to meet conservation area standar	420 Sq M	64,000
KHSA1	CHAIN HOUSE JUNC TO WINDSORS LANE JUNC, AKLINGTON	CHAIN HOUSE JUNCTION TO BLACKOE BRIDGE	Chain House Junction to Blackhoe Welsh Cou	Surfacing	OVERLAY	5025 Sq M	62,800
KHSA1	GREEN LANE, WHIXALL (FROM JUNC OPP SHIRLEY COTTAGE)	GREEN LANE		Surfacing	OVERLAY	4367 Sq M	54,600
KHSA1	BEARSTONE LANE, NEAR WOORE	BEARSTONE FM J W/ BEARSTONE RD-J W/B5026		Surfacing	OVERLAY	1622 Sq M	20,300
KHSA1	CHIPNALL LEAS, ROAD TO CHIPNALLMILL FARM	JCT S OF HAWTHORNE-CHIPNALL MILL FM		Surfacing	OVERLAY	2310 Sq M	28,900
KHSA1	ALEXANDRA ROAD, MARKET DRAYTON (30MPH SECTION)	ALEXANDRA ROAD		Surfacing	INLAY	1837 Sq M	36,700
KHSA1	BRIDGE ROAD, MARKET DRAYTON	BRIDGE ROAD		Surfacing	INLAY	1183 Sq M	23,700
KHSA1	LOWE HILL GARDENS, WEM (MAIN ROAD)	LOWE HILL GARDENS		Surfacing	INLAY	1653 Sq M	33,100
KHSA1	FOXLEIGH DRIVE, WEM	FOXLEIGH DRIVE	FOXLEIGH DRIVE, WEM	Surfacing	Resurfacing Scheme	2043 Sq M	40,900
KHSA1	MILL LANE (HALL LANE TO FIELD LANE KEMBERTON)	MILL LANE	Hall Lane to Kemberton House	Surfacing	b/c and s/c resurfacing	1500 Sq M	40,000
KHSA1	COTSBROOK FARM ROAD	COTSBROOK ROAD	B4176 to Farm	Surfacing	resurfacing	1600 Sq M	20,000
KHSA1	CROSS ROAD	CROSS ROAD	High Street to Newhouse Lane	Surfacing	resurfacing	1812 Sq M	39,600
KHSA1	LISTLEY STREET ONE-WAY	LISTLEY STREET		Surfacing	including structural patching	675 Sq M	15,000
KHSA1	HIGH STREET CLAVERLEY	HIGH STREET	Lodge Park to Aston Lane	Surfacing	resurfacing	660 Sq M	13,500
KHSA1	GREEN LANE CLEOBURY MORTIMER	RON HILL LN CLE MORT END OF-BROOME PK FM	on steep bank	Surfacing	overlay	900 Sq M	11,200
KHSA1	LOWE ROAD FARLOW BANK-SSDC	WELL FM JCT-FORMER S SHROP DIST BDY	outside Lowe Farm	Surfacing	overlay	1050 Sq M	13,100
KHSA1	NEW ROAD 60MPH SECTION	NEW ROAD		Surfacing	overlay	1800 Sq M	22,500
KHSA1	ASTON LANE TO NORTON	ASTON LANE JUNCTION TO NORTON JUNCTION	Brook House towards Church Cottage	Surfacing	overlay	900 Sq M	11,200
KHSA1	MERRYWELL LANE	WALTON GR J A458-J W OF MARSH COTT B4376	Wenlock Walton towards B4376	Surfacing	overlay	2400 Sq M	38,500
KHSA1	UPTON CRESSETT MEADOWLEY-UPPER HOUSE	LOWER MEADOWLEY FM JCT-UPTON CRESSETT	Upper House Farm to concrete gateway	Surfacing	overlay	1200 Sq M	15,600
KHSA1	OAKFIELD PARK MUCH WENLOCK	OAKFIELD PARK	phase 2	Surfacing	overlay	1206 Sq M	24,100
KHSA1	DERRINGTON ROAD 30MPH SECTION	DERRINGTON ROAD	Garage to Pub	Surfacing	inlay	1020 Sq M	20,400
KHSA1	RONHILL LANE	RONHILL LANE	whole link	Surfacing	overlay	380 Sq M	4,800
KHSA1	B4555 HIGH STREET	HIGH STREET	Barke Street to Church Street	Surfacing	inlay and structural patch	1200 Sq M	33,000
KHSA1	STURT LANE, STURT COTTAGE - FURNACE MILL	STURT LANE	outside Pleasant View	Surfacing	overlay	1200 Sq M	15,000
KHSA1	LITLEY HOUSE JUNC TO BROOKSMETING BRIDGE	STOTTESDON RD J BLUNDEL FM-BROOKSMETING	mid winters bend	Surfacing	inlay and structural patch	900 Sq M	20,000
KHSA1	B4555 END 40 MPH CHELMARSH-SUTTON	B4555INGRAM LN SUTTON-HAYBR SVR U/PASS	outside old pub	Surfacing	inlay and structural patch	900 Sq M	19,800
KHSA1	DUKEN LANE	DUKEN LANE		Surfacing	overlay	600 Sq M	7,500
KHSA1	ROMSLEY LANE	ROMSLEY LANE		Surfacing	overlay	450 Sq M	5,600
KHSA1	BRITONS LANE	BRITONS LANE		Surfacing	overlay	1050 Sq M	13,000
KHSA1	MANOR FARM JUNC TO EASTHOPE MILL	EASTHOPE MILL TO MANOR FARM JUNCTION	outside houses	Surfacing	overlay	1120 Sq M	14,000
KHSA1	HIGHBARNES COTTAGE-BIRDSGREEN A442 JUNC	A442 JCT BIRDSGREEN-BATFIELD LN START	on embankment	Surfacing	inlay	1250 Sq M	17,000
KHSA1	HIGH STREET ONE-WAY	HIGH STREET	Junction Cartway	Surfacing	carriageway resurfacing and reset yorkstc	150 Sq M	4,400
KHSA1	POSTERN GATE	POSTERN	junction High Street	Surfacing	carriageway resurfacing and reset yorkstc	192 Sq M	4,900
KHSA1	LISTLEY STREET ONE-WAY	LISTLEY STREET	junction High Street	Surfacing	carriageway resurfacing and reset yorkstc	392 Sq M	9,300
KHSA1	OPPOSITE 35 HILLS LANE	OPPOSITE 35 HILLS LANE	Off Hills Lane	Surfacing	Plane off and inlay	220 Sq M	4,400
KHSA1	HUNKINGTON LANE JUNC TOWARDS RODINGTON	HUNKINGTON LANE	1st 250m	Surfacing	Overlay 1st 250m	1000 Sq M	12,500
KHSA1	PLEALEY TO OAKS HALL FARM	PLEALEY J FORGE-PULVERBATCH RD J WRENTNA		Surfacing	Overlay	18288 Sq M	228,600
KHSA1	HABBERLEY TO BROOMHILL LANE	WHI HORSE J PULVERBATCH-HABBERLEY HALL J		Surfacing	Overlay	6110 Sq M	76,400
KHSA1	CLIFF HOLLOW	CLIFF HOLLOW	1st 350m	Surfacing	Overlay 1st 350m patch remainder	1000 Sq M	12,500
KHSA1	ROMAN ROAD. SABC BDY TO A49, BOTVYLE	FROM A49 JCT-SHREWSDJST BDY		Surfacing	Overlay	1517 Sq M	19,000
KHSA1	HOLLYHURST TOWARDS BOTVYLE (SABC BDY)	SSDC BDY HEATH COPPICE-HOLLYHURST JCT		Surfacing	Overlay	4320 Sq M	54,000
KHSA1	CROSSGREEN LANE, BOMERE HEATH	NEWTON JCTS NEWTON-CROSS GREEN JCT B5067	Newton to Railway Bridge	Surfacing	Overlay	1370 Sq M	17,100
KHSA1	PLEX LANE (A528 ALBRIGHTON JUNC TO DIV BOUNDARY PI	PLEX LANE		Surfacing	Overlay	4050 Sq M	50,600
KHSA1	DRURY LANE, PLOX GREEN TO HOPE FARM	DRURY LANE	Lady Oak to the Woodlands	Surfacing	Overlay	2569 Sq M	32,100
KHSA1	WITHINGTON TO BARKERS SQUARE 60MPH SECTIION	PELHAM RD END OF-THE PARKS FM JCT	1st 100m	Surfacing	Overlay 100m	320 Sq M	4,000
KHSA1	BERWICK WHARF TO FROGMORE HOUSE	GROVE COTTS JCT-PELHAM RD START OF	Near Upton Forge	Surfacing	Overlay approx 150m	500 Sq M	6,300
KHSA1	BERRINGTON SCHOOL TO A458	SCH HSE JCT-JCT WITH A458 S OF CROSS HSE	Full length of road	Surfacing	Overlay	5000 Sq M	62,500
KHSA1	GLEBE ROAD, BAYSTON HILL	GLEBE ROAD	Full length of link/street	Surfacing	Inlay	4960 Sq M	74,800
KHSA1	TAGS GUTTER, PLEALEY	TAGS GUTTER		Surfacing	Overlay	3605 Sq M	45,100
KHSA1	PULVERBATCH TO WILDERLEY HALL	BROOKSIDE JCT-JCT E OF SMETHCOTT COMMON	Full length of link/street	Surfacing	Overlay	13670 Sq M	137,400
KHSA1	SMETHCOTT TO HIGHER NETLEY (DINGLE)	RED HSE FM JCT-JCT WEST OF HIGHER NETLEY		Surfacing	Overlay	3232 Sq M	40,400
KHSA1	TEMESIDE	TEMESIDE	Entire Length	Surfacing	In-lay, 278m x 5.6m, 2016	1557 Sq M	24,000
KHSA1	SOUDLEY TO TICKLERTON	TICKLERTON JCT UP HSE FM-SOUDLEY COTT J		Surfacing	Overlay	1000 Sq M	14,000
KHSA1	FROM B4999 BROCKTON TO BROCKTON MEADOW	B4386-Brockton B4499 J Brockton Mdw	Brockton bridge area- brockton farm entrance	Surfacing	re-surface	2410 Sq M	37,000
KHSA1	KERRY LANE	KERRY LANE		Surfacing	Overlay	1221 Sq M	17,000
KHSA1	DOG KENNEL LANE (MYND JUNC- CHAPEL LAWN ROAD)	DOG KENNEL LANE		Surfacing	Overlay	1532 Sq M	23,000
KHSA1	UPPER GALDEFORD	UPPER GALDEFORD	Entire Length	Surfacing	In-lay, 170m x 8.0m, 2016	1360 Sq M	30,000
KHSA1	B4364 ROUNDTHORN TO STOKE TURN	B4364HENLEY A4117J-STOKE ST MILBOROUGH J	The Moor	Surfacing	Overlay	2400 Sq M	33,000
KHSA1	ACTON SCOTT TO HATTON BRIDGE	HENLEY LN JCT-BRIDGE WEST OF HATTON		Surfacing	Overlay	1200 Sq M	17,000
KHSA1	WILMINGTON ROAD	BROMLOWHALL FM JCT-WILMINGTON JCT	wilmington road- all	Surfacing	overlay	630 Sq M	9,000
KHSA1	UPPER BROUGHTON TO BANKSHEAD	PLAS MADOC COTT JCT-BANKSHEAD JCT		Surfacing	Overlay	620 Sq M	9,000
KHSA1	LOWER GALDEFORD	LOWER GALDEFORD	Junction with Upper Galdeford to Bishops Car	Surfacing	In-lay, 30m x 8.5m, 2016	255 Sq M	6,000
KHSA1	CHELMICK JUNC TO SOUDLEY	SOUDLEY COTT JCT-CHELMICK RD JCT		Surfacing	Overlay	1035 Sq M	15,000
KHSA1	ARGOED TO BURLOW	BIRCHES MILL LLANHEDRICK-FAR END J LLYST		Surfacing	Overlay	784 Sq M	11,000
KHSA1	B4368 HIGH STREET. CLUN, 30MPH SECTION	HIGH STREET		Surfacing	Overlay	1680 Sq M	35,000
KHSA1	WHITCLIFFE RD TO 30MPH SIGNS	WHITCLIFFE ROAD	Overton Rd Junction to start of Surf Dressing j	Surfacing	In-lay, 60m x 6m, 2016	360 Sq M	8,000

Appendix 5

KHSA1	COMMON LANE SOUDLEY	COMMON LANE		Surfacing		270 Sq M	4,000
KHSA1	PENANHEATH TO CEFN EINION	FR A488 XRDS COLEBATCH-CEFN EINION XRDS		Surfacing	Overlay	1200 Sq M	17,000
KHSA1	LLANFAIR-WATERDINE TO MELLIN-Y-GROGUE	DUTLAS RD JCT-LLANFAIR WATERDINE JCT		Surfacing		2591 Sq M	36,000
KHSA1	LITTLE WESTON JUNC- B4214 LITTLE NASH	LITTLE WESTON JCT-LW NASH JCT WITH B4214	At Weston Court Farm	Surfacing	Overlay	1400 Sq M	19,000
KHSA1	SLAUGHTERHOUSE LANE S LOWER STANWAY	STA FM JCT B4371-HOPESCROSS JCT B4368		Surfacing		1600 Sq M	30,000
KHSA1	WENTNOR TO THE GREEN	CARAVAN PARK THE GREEN-SNEAD FM JCT		Surfacing	Overlay	875 Sq M	12,000
KHSA1	LLANFAIRWATERDINE TO MONAUGHTY POETH	LLANFAIR WATERDINE JCT-KINSLEY RD S-O		Surfacing		595 Sq M	8,000
KHSA1	SNITTON LANE 60MPH SECTION	SNITTON LANE	A4117 To Hall Farm	Surfacing	Overlay Patches	2000 Sq M	27,000
KHSA1	TUGFORD TO ABDON	TUGFORD FM JCT-UPPER HSE JCT		Surfacing	2 x Overlays	2025 Sq M	29,000
							2,312,000
Countywide Resurfacing							
KHS01	WELSHAMPTON TO HAMPTON BANK - RETENTION			Retention Payment for 15/16 Scher	Sufacing	N/A	N/A
KHS02	ENGLISH FRANKTON JUNCTION TO LOPPINGTON - RETENTION			Retention Payment for 15/16 Scher	Sufacing	N/A	N/A
KHS03	B5065 SOULTON ROAD WEM - RETENTION			Retention Payment for 15/16 Scher	Sufacing	N/A	N/A
KHS08	B4384 STATION ROAD/SCHOOL HOUSE LANE - RETENTION			Retention Payment for 15/16 Scher	Sufacing	N/A	N/A
KHS09	SHROPSHIRE STREET, MARKET DRAYTON - RETENTION			Retention Payment for 15/16 Scher	Sufacing	N/A	N/A
KHS10	WEM 30MPH SPEED REDUCTIONS - RETENTION			Retention Payment for 15/16 Scher	Sufacing	N/A	N/A
KHS9A	Countywide Secondary Roads Resurfacing						2,300,000
							2,384,137
Countywide Patching Schemes Tender Package							
KHT01	TARMAC LAFARGE TENDER PACKAGE 1 - RETENTION	N/A	N/A	Retention Payment for 15/16 Scheme		N/A	N/A
KHT02	SOUTH WEST	N/A	N/A			N/A	N/A
KHT02	SOUTH EAST	N/A	N/A			N/A	N/A
KHT02	CENTRAL	N/A	N/A			N/A	N/A
KHT02	NORTH WEST	N/A	N/A			N/A	N/A
KHT02	NORTH EAST	N/A	N/A			N/A	N/A
							1,101,843
Countywide Drainage							
KNS9F	NEWPORT ROAD 60MPH SECTION		Works in carriageway under railway bridge	Drainage Improvement	Newport Road, Albrighton-Outfall works	1	80,000
KNS9F	SANDPITS ROAD		Works in carriageway	Drainage Improvement	Whitefriars, Ludlow. New Gully and conn	1	3,000
							83,000
North West Shropshire							
Unallocated							
KHS1A	DIVISIONAL ANNUAL RESPONSIVE BUDGET - SECONDARY	N/A		N/A		N/A	N/A
Resurfacing							
KHS1E	WHITTINGTON ROAD, OSWESTRY TO BY-PASS (40MPH SEC	WHITTINGTON ROAD		Micro Surfacing	Micro Asphalt	2600 Sq M	26,000
KHS1E	GOBOWEN RD, OSWESTRY (BEATRICE STREET TO JASMINE	GOBOWEN ROAD		Micro Surfacing	Micro Asphalt	4000 Sq M	40,000
KHS1E	WHITTINGTON RD, OSWESTRY (BRIDGE JUNC TO UNICORN	WHITTINGTON ROAD		Micro Surfacing	Micro Asphalt	150 Sq M	1,500
KHS1E	EDWARD STREET, OSWESTRY	EDWARD STREET		Micro Surfacing	Micro Asphalt	600 Sq M	6,000
KHS1E	HIGH STREET, ELLESMERE ONE WAY	HIGH STREET		Micro Surfacing	Micro Asphalt	500 Sq M	5,000
KHS1E	SCOTLAND STREET, ELLESMERE (MINI ISLAND TO THE CROS	SCOTLAND STREET		Micro Surfacing	Micro Asphalt	1100 Sq M	11,000
KHS1E	BEECH GROVE, ELLESMERE (MAIN SECTION)	BEECH GROVE		Micro Surfacing	Micro Asphalt	3180 Sq M	31,800
KHS1E	OAK DRIVE, ELLESMERE (CAMBRIA AVENUE TO MAIN LOOF	OAK DRIVE		Micro Surfacing	Micro Asphalt	2050 Sq M	20,500
							141,800
Surface Dressing							
KHS1F	OAK STREET, OSWESTRY	OAK STREET		Surface Dressing	Surface dressing 16/17	40 Sq M	100
KHS1F	CHAPEL STREET, OSWESTRY	CHAPEL STREET		Surface Dressing	Surface dressing 16/17	60 Sq M	100
KHS1F	PRESCOTT TO WALFORD HEATH (END 30MPH WALFORD TR	B5067SABC BDY WALFORD HTH-SHREW RD BASCH		Surface Dressing	Surface dressing 16/17	2000 Sq M	4,500
KHS1F	PRESCOTT TO WALFORD HEATH (60MPH SECTION)	B5067SABC BDY WALFORD HTH-SHREW RD BASCH		Surface Dressing	Surface dressing 16/17	9300 Sq M	21,300
KHS1F	B5476 BROUGHTON XRDS TO NEWTON MEADOWS, HARM	B5476 WEM RD END-JCT FOR CLIVE		Surface Dressing	Surface dressing 16/17	11700 Sq M	26,800
KHS1F	BROUGHTON XRDS TO A528 JUNC AT MYDDLE	YORTON STATION JCT-A528 MYDDLE JCT		Surface Dressing	Surface dressing 16/17	13200 Sq M	30,200
KHS1F	MILFORD RD, MILFORD BRIDGE - 30MPH	MILFORD ROAD		Surface Dressing	Surface dressing 16/17	2900 Sq M	5,000
KHS1F	FRANKTON HOUSE LANE, ENGLISH FRANKTON	LINK ROAD VIA FRANKTON HOUSE		Surface Dressing	Surface dressing 16/17	360 Sq M	800
KHS1F	PONTFAEN TO WESTON RHYN	PONTFAEN BR CLWYD CTY BDY-END OF HIGH ST		Surface Dressing	Surface dressing 16/17	4000 Sq M	9,100
KHS1F	LYNEAL ROAD, LOPPINGTON (JUNC OF LOOP RD PAST HOL	LYNEAL WOOD FM DIST BDY-ROUGH HATES JUNC		Surface Dressing	Surface dressing 16/17	16450 Sq M	37,600
KHS1F	HORDLEY TO LOWER HORDLEY 60MPH SECTION	LOWER HORDLEY JCT-HORDLEY J ST MARYS CH		Surface Dressing	Surface dressing 16/17	6000 Sq M	13,700
KHS1F	NEW WELL LANE, TREFONEN 60MPH SECTION	NEW WELL LANE		Surface Dressing	Surface dressing 16/17	3200 Sq M	7,300
KHS1F	WHIP LANE, OSBASTON	WHIP LANE		Surface Dressing	Surface dressing 16/17	1900 Sq M	4,300
KHS1F	THE AVENUE, WEST FELTON (MANOR FARM LANE TO MAIR	THE AVENUE		Surface Dressing	Surface dressing 16/17	5500 Sq M	7,300
KHS1F	SANDFORD TO WEIRBROOK	JCT SANDFORD HSE FM-WEIRBROOK JCT A5		Surface Dressing	Surface dressing 16/17	3400 Sq M	7,800
KHS1F	SCHOOL ROAD, RUYTON, 30MPH SECTION	SCHOOL ROAD		Surface Dressing	Surface dressing 16/17	4700 Sq M	10,800
KHS1F	MANOR FARM TO RUEWOOD STUD FARM	MANOR FARM TO RUEWOOD STUD FARM		Surface Dressing	Surface dressing 16/17	7700 Sq M	17,600
KHS1F	WESTON WHARF ROAD, WESTON LULLINGFIELDS 30MPH S	GREENFIELDS JUNCTION TO BRIDGE FARM		Surface Dressing	Surface dressing 16/17	2100 Sq M	4,200
KHS1F	HILL VIEW, WESTON RHYN	HILL VIEW		Surface Dressing	Surface dressing 16/17	350 Sq M	600
KHS1F	SELATTYN TO CROSS-LANES	TOWER HILL JCT-CROSS LNS JCT		Surface Dressing	Surface dressing 16/17	3800 Sq M	8,700
KHS1F	MILL HOUSE LANE, LOPPINGTON	YEW TREE COTTAGE JUNCTION TO MILL HOUSE		Surface Dressing	Surface dressing 16/17	1800 Sq M	4,100
KHS1F	LOWER ROAD TO ORCHARD HOUSE	LOWER ROAD TO ORCHARD HOUSE		Surface Dressing	Surface dressing 16/17	450 Sq M	1,000

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KHS1F	BROWNHEATH RD TO LYNEAL RD VIA THE OLD HOUSE	ROUGH HAYES JCT-BROWNHEATH JCT		Surface Dressing	Surface dressing 16/17	2900 Sq M	6,600
KHS1F	WESTON LULLINGFIELDS TO STANWARDINE	J STANWARDINE IN FIELDS-WESTON VILLA		Surface Dressing	Surface dressing 16/17	4800 Sq M	10,900
KHS1F	WESTON COMMON TO STANWARDINE IN THE WOOD	J S OF STANWARDINE HALL-LAUREL VILLA J		Surface Dressing	Surface dressing 16/17	7000 Sq M	16,000
KHS1F	STANWARDINE TO PETTON	STANWARDINE J-W LODGE J S OF PETTON FM		Surface Dressing	Surface dressing 16/17	8100 Sq M	18,500
KHS1F	WESTON LULLINGFIELDS TO MARTON	MARTON LANE		Surface Dressing	Surface dressing 16/17	6600 Sq M	15,100
KHS1F	WYKEY TO STANWARDINE (JUBILEE BRIDGE TO STANWARDINE)	OSW BDY WEIR BR-THE SMITHY J&WHITE HSE J		Surface Dressing	Surface dressing 16/17	8400 Sq M	19,200
KHS1F	RUYTON TO BIRCH PARK	BIRCH PARK JCT-B4397 JCT PLATT BDG		Surface Dressing	Surface dressing 16/17	7200 Sq M	16,400
KHS1F	WAEN WEN TO CRICKHEATH WHARF	TANKARD HILL JCT WITH B4396-YEW TREE JCT		Surface Dressing	Surface dressing 16/17	4550 Sq M	10,400
KHS1F	STONE ROAD, TREFLACH, 60MPH SECTION	STONE ROAD		Surface Dressing	Surface dressing 16/17	1700 Sq M	3,800
KHS1F	BROOKFIELD HOUSE XRDS TO MAESBURY NOTICE BOARD	BACK LANE		Surface Dressing	Surface dressing 16/17	1800 Sq M	4,100
KHS1F	LLYNCLYS HALL TO MORTON SCHOOL	LLYNCLYS HALL FM JCT-REDWITH JCT		Surface Dressing	Surface dressing 16/17	2300 Sq M	5,200
KHS1F	MORTON FARM LINK ROAD	MORTON FM JCT-JCT SW OF MORTON FM		Surface Dressing	Surface dressing 16/17	400 Sq M	900
KHS1F	MORTON SCHOOL TO REDWITH	LLYNCLYS HALL FM JCT-REDWITH JCT		Surface Dressing	Surface dressing 16/17	3360 Sq M	7,600
KHS1F	PONTFAEN BANK	QUINTA MANSE JCT-PONT-FAEN BRIDGE JCT		Surface Dressing	Surface dressing 16/17	2300 Sq M	5,200
KHS1F	BROOMHALL LANE, OSWESTRY - URBAN	BROOMHALL LANE		Surface Dressing	Surface dressing 16/17	4000 Sq M	9,100
KHS1F	WESTON RHYN TO WERN - URBAN (MINI ISLAND TO 60MPH)	B4579MEADOWFIELDS-W-RHYN BRONYGARTH RD		Surface Dressing	Surface dressing 16/17	2900 Sq M	6,600
KHS1F	CEFN CANOL TO RHYDYCROESAU	RHYDYCROESAU B4580J-CLWYD BDY CEFN CANOL		Surface Dressing	Surface dressing 16/17	2700 Sq M	6,100
KHS1F	MARTON TO MYDDLE ROAD (TOLL HOUSE JUNCTION TO TH)	WELL FM JCT MARTON-MYDDLE HILL JCT A528		Surface Dressing	Surface dressing 16/17	12600 Sq M	28,800
KHS1F	MELVERLEY ROAD END OF TO PENTRE INDUSTRIAL ESTATE	MELVERLEY RD END OF-PENTRE IND EST	Stone house to pentre industrial estate	Surface Dressing	Surface dressing 16/17	3500 Sq M	8,000
KHS1F	MONKMOOR COURT, OSWESTRY	MONKMOOR COURT		Surface Dressing	Surface dressing 16/17	450 Sq M	1,000
KHS1F	GIBALTAR LANE, TREFLACH, 60MPH SECTION	GIBALTAR LANE		Surface Dressing	Surface dressing 16/17	3150 Sq M	7,200
KHS1F	WERN Y WIEL LANE, TREFLACH	WERN Y WIEL		Surface Dressing	Surface dressing 16/17	3000 Sq M	6,800
KHS1F	TREFLACH HALL TO CRANE ROCK	TREFLACH HALL JCT-JCT N OF TY-TEDDAU		Surface Dressing	Surface dressing 16/17	2000 Sq M	4,500
KHS1F	RHYDYCROESAU TO CEFNBYRALLT	CLWYD COUNTY BOUNDARY TO LLAWNT JUNCTION		Surface Dressing	Surface dressing 16/17	2200 Sq M	5,000
KHS1F	CHAPEL LANE, TREFONEN, 60MPH SECTION	CHAPEL LANE		Surface Dressing	Surface dressing 16/17	5200 Sq M	11,900
KHS1F	LLWYNTIDMON HALL TO MAESBROOK GREEN	LLWYNTIDMON HALL JCT-STATION HSE JCT		Surface Dressing	Surface dressing 16/17	5600 Sq M	12,800
KHS1F	OSBASTON LANE	WHITE HSE JCT WITH B4396-OSBASTON JCT		Surface Dressing	Surface dressing 16/17	800 Sq M	1,800
KHS1F	BRON-Y-NANT LANE, MOELYDD	FFYNON-DEG J V MOELYD FM-J W TREFONEN HA		Surface Dressing	Surface dressing 16/17	2600 Sq M	5,900
KHS1F	THORNHURST AVENUE, OSWESTRY	THORNHURST AVENUE		Surface Dressing	Surface dressing 16/17	900 Sq M	2,000
						480,300	
Kerbs, Footways & Cycle tracks							
KHS1J	B5067 NEWTOWN TO THE WHEATLANDS JCT	NEWTOWN		Footway reconstruction		1100 Sq M	20,700
KHS1J	UPPER LEG STREET, OSWESTRY	LEG STREET		Footway Slurry sealing		240 Sq M	500
KHS1J	MORDA VILLAGE 20MPH SECTION TO TREFONEN ROAD	B5069 JCT FOR SWEENEY MOUNTAIN-MORDA RD		Footway Slurry sealing		950 Sq M	1,800
KHS1J	MOUNT RD, OSWESTRY	MOUNT ROAD	Whole link	Footway Slurry sealing		1500 Sq M	2,800
KHS1J	CASTLE STREET, OSWESTRY	CASTLE STREET		Footway Slurry sealing		750 Sq M	1,400
KHS1J	BEATRICE STREET, OSWESTRY (CASTLE STREET TO SOMERF)	BEATRICE STREET		Footway Slurry sealing		470 Sq M	900
KHS1J	SCHOOL ROAD, RUYTON, 30MPH SECTION	SCHOOL ROAD	Whole link	Footway Slurry sealing		2100 Sq M	4,000
KHS1J	FIVE CROSSES R'BOUT TO 30'S AT ORTHOPAEDIC	TWMPPATH LANE		Footway Slurry sealing		1000 Sq M	1,900
KHS1J	MIDDLETON RD, OSWESTRY (SALOP RD TO CHECKERS)	MIDDLETON ROAD		Footway Slurry sealing		2800 Sq M	5,300
KHS1J	VICTORIA ROAD, OSWESTRY	VICTORIA ROAD		Footway Slurry sealing		440 Sq M	800
KHS1J	UPPER BROOK STREET, OSWESTRY 20MPH SECTION	UPPER BROOK STREET		Footway Slurry sealing		1000 Sq M	1,900
KHS1J	LLWYN ROAD - NORTH, OSWESTRY	LLWYN ROAD		Footway Slurry sealing		860 Sq M	1,600
KHS1J	WESTON ROAD, MORDA - URBAN	WESTON ROAD		Footway Slurry sealing		1000 Sq M	1,900
KHS1J	PRESCOTT FIELDS, BASCHURCH (MAIN SECTION)	PRESCOTT FIELDS		Footway Slurry sealing		800 Sq M	1,500
KHS1J	AGNES HUNT CLOSE, BASCHURCH	AGNES HUNT CLOSE	Whole link	Footway Slurry sealing		550 Sq M	1,000
KHS1J	SCHOOL FIELD CLOSE, HORDLEY	SCHOOL FIELD CLOSE	Whole link	Footway Slurry sealing		220 Sq M	400
KHS1J	HILLSIDE, MYDDLE	HILLSIDE	Whole link	Footway Slurry sealing		550 Sq M	1,000
KHS1J	ASHLANDS ROAD, WESTON RHYN	ASHLANDS ROAD	Whole link	Footway Slurry sealing		600 Sq M	1,100
KHS1J	PALMANTMAWR, WESTON RHYN (STATION ROAD TO JUN)	PALMANTMAWR	Whole link	Footway Slurry sealing		450 Sq M	900
KHS1J	DRENEWYDD, PARK HALL (DEPOT CUL-DE-SAC)	DRENEWYDD	Whole link	Footway Slurry sealing		270 Sq M	500
KHS1J	PLEASANT VIEW, WESTON RHYN	PLEASANT VIEW	Whole link	Footway Slurry sealing		450 Sq M	900
KHS1J	COLLEGE ROAD, OSWESTRY	COLLEGE ROAD		Footway Slurry sealing		3500 Sq M	6,600
KHS1J	HOLLY GREEN, OSWESTRY (MAIN RD TO OVAL)	HOLLY GREEN	Whole link	Footway Slurry sealing		350 Sq M	700
KHS1J	HAWTHORNE GROVE, OSWESTRY	HAWTHORNE GROVE	Whole link	Footway Slurry sealing		1300 Sq M	2,500
KHS1J	BEECH GROVE, OSWESTRY	BEECH GROVE	Whole link	Footway Slurry sealing		1100 Sq M	2,100
KHS1J	CHESTNUT AVENUE, OSWESTRY	CHESTNUT AVENUE	Whole link	Footway Slurry sealing		950 Sq M	1,800
KHS1J	HAZEL GROVE, OSWESTRY (WEST)	HAZEL GROVE	Whole link	Footway Slurry sealing		800 Sq M	1,500
KHS1J	LLYS ROAD, OSWESTRY	LLYS ROAD	Whole link	Footway Slurry sealing		1700 Sq M	3,200
KHS1J	BALMORAL CRESCENT, OSWESTRY (MAIN SECTION)	BALMORAL CRESCENT		Footway Slurry sealing		1980 Sq M	3,700
KHS1J	WINDSOR ROAD, OSWESTRY	WINDSOR ROAD	Whole link	Footway Slurry sealing		1150 Sq M	2,200
KHS1J	BLACKFRIARS, OSWESTRY	BLACKFRIARS	Whole link	Footway Slurry sealing		980 Sq M	1,900
KHS1J	CHAUCER ROAD, OSWESTRY (MAIN SECTION)	CHAUCER ROAD	Whole link	Footway Slurry sealing		1150 Sq M	2,200
KHS1J	QUEEN'S ROAD, OSWESTRY	QUEENS ROAD	Whole link	Footway Slurry sealing		1120 Sq M	2,100
KHS1J	WESTON AVENUE, OSWESTRY	WESTON AVENUE	Whole link	Footway Slurry sealing		700 Sq M	1,300
KHS1J	WESTON CLOSE, MORDA	WESTON CLOSE	Whole link	Footway Slurry sealing		180 Sq M	300
KHS1J	GREENFIELD SQUARE, MORDA	GREENFIELD SQUARE	Whole link	Footway Slurry sealing		160 Sq M	300

Appendix 5

KHS1J	BREIDDEN CLOSE, MORDA	BREIDDEN CLOSE	Whole link	Footway Slurry sealing		270 Sq M	500
Special Allocation Projects							
KHS1P	DEVELOPER CONTRIBUTION	PASSING PLACES	N/A	N/A		N/A	20,000
KHS1P	ROAD RAISING - MELVERLEY	FLOOD DEFENCE WORKS	N/A	N/A		N/A	100,000
North East Shropshire							
Unallocated							
KHS2A	DIVISIONAL ANNUAL RESPONSIVE BUDGET - SECONDARY	N/A		N/A		N/A	50,000
Resurfacing							
KHS2E	CHURCH STREET, HODNET	CHURCH STREET		Micro Surfacing	Micro Asphalt	804 Sq M	8,000
KHS2E	QUEENSWAY, WEM	QUEENSWAY		Micro Surfacing	Micro Asphalt	817 Sq M	8,200
KHS2E	MELROSE CRESCENT, MARKET DRAYTON	MELROSE CRESCENT		Micro Surfacing	Micro Asphalt	755 Sq M	7,600
KHS2E	ALKINGTON GARDENS (ROAD IN), WHITCHURCH	ALKINGTON GARDENS		Micro Surfacing	Micro Asphalt	1505 Sq M	15,000
KHS2E	CHRIST CHURCH LANE, MARKET DRAYTON	CHRIST CHURCH LANE		Micro Surfacing	Micro Asphalt	2238 Sq M	10,000
Surface Dressing							
KHS2F	B5026 BEARSTONE BRIDGE TO COUNTY BOUNDARY NEAR E	B5026CTY BDY BEARSTONE MILL-STAFF CTY BD	B5026 BEARSTONE BRIDGE TO COUNTY BOUND	Surface Dressing	Surface dressing 16/17	5698 Sq M	13,000
KHS2F	B5026 KNIGHTON TO 40MPH SECTION	LONDON ROAD	B5026 KNIGHTON TO 40MPH SECTION	Surface Dressing	Surface dressing 16/17	6229 Sq M	14,200
KHS2F	MUCKLETON LANE, MUCKLETON (TO TELFORD & WREKIN E	MUCKLETON LN END OF-WREKIN BOR BDY ELLER	MUCKLETON LANE, MUCKLETON (TO TELFORD	Surface Dressing	Surface dressing 16/17	3905 Sq M	8,900
KHS2F	BUTLERSBANK JUNC (A53) TO JUNC WITH UNCLASSIFIED RI	FR A53 J STANTON HEATH-MUCKLETON LN J	BUTLERSBANK JUNC (A53) TO MUCKLETON LAN	Surface Dressing	Surface dressing 16/17	15879 Sq M	36,300
KHS2F	B5063 WEM ROAD, SHAWBURY (WATERWORKS LANE TO SI	WEM ROAD	B5063 WEM ROAD, SHAWBURY (PAPERMILL LA	Surface Dressing	Surface dressing 16/17	5434 Sq M	12,400
KHS2F	SLACKS CORNER TO PLATT LANE, WHIXALL	ALKINGTON RD WHITCH END OF-BROWNS BROOK	SLACKS CORNER TO PLATT LANE, WHIXALL	Surface Dressing	Surface dressing 16/17	8855 Sq M	20,200
KHS2F	LOWE HILL ROAD, WEM	LOWE HILL ROAD	LOWE HILL ROAD, WEM	Surface Dressing	Surface dressing 16/17	5016 Sq M	11,400
KHS2F	WORTHINGTON STREET, WHITCHURCH	WORTHINGTON STREET	WORTHINGTON STREET, WHITCHURCH	Surface Dressing	Surface dressing 16/17	1452 Sq M	3,300
KHS2F	BATH STREET, WHITCHURCH	BATH STREET	BATH STREET, WHITCHURCH	Surface Dressing	Surface dressing 16/17	475 Sq M	1,000
KHS2F	GEORGE STREET, WHITCHURCH	GEORGE STREET	GEORGE STREET, WHITCHURCH	Surface Dressing	Surface dressing 16/17	1561 Sq M	3,500
KHS2F	ELIZABETH STREET, WHITCHURCH	ELIZABETH STREET	ELIZABETH STREET, WHITCHURCH	Surface Dressing	Surface dressing 16/17	1326 Sq M	3,000
KHS2F	MARSH LANE, HINSTOCK (LOOP SOUTH TO A41 NR HIGH F	MARSH LANE	MARSH LANE, HINSTOCK (LOOP SOUTH TO A41	Surface Dressing	Surface dressing 16/17	4205 Sq M	9,600
KHS2F	ASTON BRIDGE TO THISTLEFORD BRIDGE	FROM A49 J LEE BROCKHURST-ASTON BRIDGE	ASTON BRIDGE TO THISTLEFORD BRIDGE	Surface Dressing	Surface dressing 16/17	11825 Sq M	27,000
KHS2F	FROM END A442 HODNET 30MPH NORTH TO STATION ROA	SHREWSBURY STREET	FROM END A442 HODNET 30MPH NORTH TO ST	Surface Dressing	Surface dressing 16/17	3507 Sq M	8,000
KHS2F	ROWAN ROAD, MARKET DRAYTON	ROWAN ROAD	ROWAN ROAD, MARKET DRAYTON	Surface Dressing	Surface dressing 16/17	5125 Sq M	11,700
KHS2F	B5476 WHITCHURCH TO WEM ROAD (STEEL HEATH TO COP	B5476 FROM J FOR WHIXALL-STEEL RD	B5476 WHITCHURCH TO WEM ROAD (STEEL HE	Surface Dressing	Surface dressing 16/17	5005 Sq M	11,400
KHS2F	HOPSHORT LANE, SOUDLEY	HOPSHORT JUNCTION TO SHAWBROOM	HOPSHORT LANE, SOUDLEY	Surface Dressing	Surface dressing 16/17	2909 Sq M	6,600
KHS2F	HIGHFIELDS (RYEBANK JUNC TO LOWE HALL XRDS)	RYEBANK JUNCTION TO LOWE JUNCTION	RYEBANK JUNCTION TO LOWE HILL JUNCTION	Surface Dressing	Surface dressing 16/17	6240 Sq M	14,200
KHS2F	RYEBANK JUNC TO B5476 JUNC AT CREAMORE BANK	RYE BANK JCT-B5476 JCT CREAMORE BANK	RYEBANK JUNCTION TO B5476 JUNCTION	Surface Dressing	Surface dressing 16/17	3795 Sq M	8,600
KHS2F	RYEBANK TO CREAMORE COTTAGE (B5476)	OAKLEIGH JCT-CREAMORE COTT JCT B5476	OAKLEIGH JUNCTION TO CREAMORE COTTAGE	Surface Dressing	Surface dressing 16/17	1704 Sq M	3,800
KHS2F	FOUR LANE ENDS XRDS TO POOL BANK FARM WATERLOO	FOUR LN ENDS FM J-POOL BANK FM WATERLOO	FOUR LANE ENDS FARM JUNCTION TO WATERL	Surface Dressing	Surface dressing 16/17	2908 Sq M	6,600
KHS2F	POOLHEAD JUNC TO PADDOLGREEN JUNC	POOL HEAD JCT TO PADDOL GREEN JCT	POOLHEAD JUNCTION TO PADDOL GREEN JUN	Surface Dressing	Surface dressing 16/17	6050 Sq M	13,800
KHS2F	GILBERTS LANE, WHIXALL (GREEN LANE TO JUNCTION AT P	GILBERTS LANE	GILBERTS LANE	Surface Dressing	Surface dressing 16/17	5280 Sq M	12,000
Drainage Structures							
KHS2H	DRAKEY LANE JUNC TO B5063 JUNC, HORTON	B5063 J HORTON HALL-B5063 J WOLVERLEY BR	Horton Hall Junction to B5063	Drainage Improvement	Renew Gullies, kerbed aprons/new pipe (225 dia. Pipe		8,900
KHS2H	THE GREEN, SHAWBURY (URBAN SECTION)	THE GREEN	Carradine Road (The Green)	Drainage Improvement	New gullies connecting to existing drainage (225 dia. Pipe & 2 gull		8,900
KHS2H	CHURCHILL DRIVE, WEM	CHURCHILL DRIVE	Adj to No24	Drainage Improvement	New gully to connecting to existing drainage (150 dia. Pipe & 3 g		2,700
Kerbs, Footways & Cycle tracks							
KHS2J	LONGSLOW ROAD, MARKET DRAYTON	LONGSLOW ROAD	Whole link	Footway reconstruction	Footway Re-surface	130 Sq M	200
KHS2J	BRIDGEWATER STREET, WHITCHURCH (FROM DODDINGTO	BRIDGEWATER STREET	Whole link	Footway reconstruction	Footway Re-surface	474 Sq M	900
KHS2J	PARK AVENUE, SHAWBURY	PARK AVENUE	Whole link	Footway reconstruction	Footway Re-surface	423 Sq M	800
KHS2J	BARNARD STREET, WEM	BARNARD STREET	From Mill Street to the front of the Old Police	Footway reconstruction	Footway Re-surface	819 Sq M	1,500
KHS2J	LOWE HILL ROAD, WEM	LOWE HILL ROAD	From Pymms Road to 30mph	Footway reconstruction	Footway Re-surface	516 Sq M	1,000
KHS2J	B5065 SOULTON ROAD, WEM (RAILWAY CROSSING TO CHL	SOULTON ROAD	From Railway to Ash Grove	Footway reconstruction	Footway Re-surface	1275 Sq M	2,400
KHS2J	ASTON ROAD, WEM (FROM JUNCTION AT SOULTON ROAD	ASTON ROAD	From Aston Road to 30mph	Footway reconstruction	Footway Re-surface	900 Sq M	1,700
KHS2J	SHREWSBURY ROAD, MARKET DRAYTON			Footway reconstruction	Footway reconstruction	Sq M	14,500
KHS2J	NORTHLANDS, WOORE	NORTHLANDS	Whole link	Footway Slurry sealing	Slurry seal	600 Sq M	1,100
KHS2J	SERVICE ROAD, PIPEGATE	ACCESS ROADS BESIDE A51	Whole link	Footway Slurry sealing	Slurry seal	607 Sq M	1,100
KHS2J	ST CHADS WAY, NORTON IN HALES	ST CHADS WAY	Whole link	Footway Slurry sealing	Slurry seal	125 Sq M	200
KHS2J	GRIFFIN CLOSE, NORTON-IN-HALES	GRIFFIN CLOSE	Whole link	Footway Slurry sealing	Slurry seal	270 Sq M	500
KHS2J	GREEN BANK, ADDERLEY	GREEN BANK	Whole link	Footway Slurry sealing	Slurry seal	600 Sq M	1,100
KHS2J	TILSTOCK CLOSE, TILSTOCK	TILSTOCK CLOSE	Whole link	Footway Slurry sealing	Slurry seal	225 Sq M	400
KHS2J	VICTORIA ROAD, MARKET DRAYTON ONE-WAY	VICTORIA ROAD	Whole link	Footway Slurry sealing	Slurry seal	990 Sq M	1,900
KHS2J	ELIZABETH COURT, MARKET DRAYTON	ELIZABETH COURT	Whole link	Footway Slurry sealing	Slurry seal	290 Sq M	500
KHS2J	GOOSEFIELD CLOSE, MARKET DRAYTON	GOOSEFIELD CLOSE	Whole link	Footway Slurry sealing	Slurry seal	85 Sq M	200
KHS2J	ALLEN GARDENS, MARKET DRAYTON	ALLEN GARDENS	Whole link	Footway Slurry sealing	Slurry seal	102 Sq M	200
KHS2J	HIGHFIELDS, MARKET DRAYTON	HIGHFIELDS	Whole link	Footway Slurry sealing	Slurry seal	262 Sq M	500
KHS2J	HAYWOOD LANE, CHESWARDINE (30MPH TO HIGH STREET	HAYWOOD LANE	Whole link	Footway Slurry sealing	Slurry seal	345 Sq M	700

KHS2J	GLEBE CLOSE, CHESWARDINE	GLEBE CLOSE	Whole link	Footway Slurry sealing	Slurry seal	400 Sq M	800
KHS2J	QUEEN'S CROFT, CHESWARDINE	QUEENS CROFT	Whole link	Footway Slurry sealing	Slurry seal	270 Sq M	500
KHS2J	SYMONS WAY, CHESWARDINE	SYMONS WAY	Whole link	Footway Slurry sealing	Slurry seal	600 Sq M	1,100
KHS2J	COPELEA, CHESWARDINE (MAIN SECTION)	COPELEA	Whole link	Footway Slurry sealing	Slurry seal	846 Sq M	1,600
KHS2J	PODMORE ROAD, CHESWARDINE	PODMORE ROAD	Whole link	Footway Slurry sealing	Slurry seal	240 Sq M	500
							35,900
South East Shropshire							
Unallocated							
KHS4A	DIVISIONAL ANNUAL RESPONSIVE BUDGET - SECONDARY	N/A		N/A		N/A	N/A
Reconstruction							
KHS4C	STATION ROAD HIGHLEY	STATION ROAD	near Ladymoor	Highway Improvement Schemes	carriageway widening and gabion basket		20,000
KHS4C	BROOKSMEETING BRIDGE TO HAWKSWOOD	HAWKSWOOD BARNES TO BROOKSMEETING BRIDGE	near Brooksmeeeting Bridge	Highway Improvement Schemes	edge retention		20,000
							40,000
Surface Dressing							
KHS4F	THE SQUARE JUNC STOTTESDON TO WALTON 60MPH SECT	BAGGINSWOOD RD J WALTON COTTS-STATION RD	whole link	Patching & Drainage	carriageway patching and drainage	5740 Sq M	8,600
KHS4F	LOWER WOODEND-SIX ASHES	LOWER WOODEND JCT-6 ASHES JCT WITH B4363	Barbrook to Hall Orchard	Patching & Drainage	carriageway patching and drainage	13473 Sq M	20,200
KHS4F	LOWER WOODEND-SIX ASHES	LOWER WOODEND JCT-6 ASHES JCT WITH B4363	Six Ashes to Barbrook	Surface Dressing	Surface dressing 16/17	3500	6,400
KHS4F	STOTTESDON TO RIDDINGS LANE 30MPH SECTION	THE SQUARE END TO RIDDINGS LANE J	Stottesdon to Riddings Lane	Surface Dressing	Surface dressing 16/17	7015	16,100
KHS4F	STOTTESDON ROAD JUNC BLUNDEL FARM TO LITLEY HOUSE	STOTTESDON RD J BLUNDEL FM-BROOKSMETING	Blundel Farm to Litley	Surface Dressing	Surface dressing 16/17	2380	5,400
KHS4F	B4363 KINLET 40MPH SECTION NORTH	B4363KINLET BK END-B4555 JCT NORTONS END	Kinlet within 40 mph	Surface Dressing	Surface dressing 16/17	2035	4,600
KHS4F	B4555 NEW RD HIGHLEY-BORLMILL JUNC 60MPH SECTION	NEW ROAD		Surface Dressing	Surface dressing 16/17	4800	11,000
KHS4F	THE BOLD-MOORBROOK FARM ACCESS	DUDDLEWICK BRIDGE JCT TO THE BAYTREE JCT	The Bold towards Duddlewick	Surface Dressing	Surface dressing 16/17	4000	9,200
KHS4F	DUDDLEWICK BRIDGE KUNC-JUNC HINTON	STN RD END STOTTESDON-DUDDLEWICK BR JCT	Duddlewick Bridge to Hinton	Surface Dressing	Surface dressing 16/17	1125	2,600
KHS4F	B4363 DEUXHILL-GLAZELEY WAR MEMORIAL	B4363 FROM DEUXHILL TO MARLBROOK BRIDGE	Deuxhill to War Memorial	Surface Dressing	Surface dressing 16/17	6500 Sq M	15,000
KHS4F	B4363 STOTTESDON JCT-HORSFORD	B4363 BILLINGSLEY BIND LN-HORSFORD FM JC	chipping dump to Longmore House	Surface Dressing	Surface dressing 16/17	5100 Sq M	11,700
KHS4F	B4363 JUNC B4555-RAYS BRIDGE	B4363NORTONS END B4555 J-BIND LN BILLING	B4555 to Rays Bridge	Surface Dressing	Surface dressing 16/17	1800 Sq M	4,500
KHS4F	B4363 FROM JUNC B4201 TO KINLET BANK	B4363 CLE MORT A4117 JCT-S-O KINLET BANK	Baveney Lane to April Cottage	Surface Dressing	Surface dressing 16/17	2100 Sq M	4,800
KHS4F	MOAT STREET	MOAT STREET	whole link	Surface Dressing	Surface dressing 16/17	600 Sq M	1,000
KHS4F	CONDUIT LANE	CONDUIT LANE		Surface Dressing	Surface dressing 16/17	2480 Sq M	4,300
KHS4F	BRIDGWALTON FARM TO B4364 JUNC CROSS HOUSES	BRIDGWALTON FM-B4368 JCT CROSS HOUSES	B4364 to culvert	Surface Dressing	Surface dressing 16/17	1500 Sq M	3,400
KHS4F	VICARAGE ROAD DITTON PRIORS, 30MPH SECTION	VICARAGE ROAD	whole link	Surface Dressing	Surface dressing 16/17	3315 Sq M	6,000
KHS4F	B4364 LUDLOW ROAD WEST TELEGRAPH LANE- PUNCHBOV	LUDLOW ROAD	whole link	Surface Dressing	Surface dressing 16/17	3500 Sq M	8,000
KHS4F	B4364 CHETTON JCT-EUDON GEORGE JCT	B4364 CHETTON GRANGE JCT-JCT FOR EUDON G	whole link	Surface Dressing	Surface dressing 16/17	2700 Sq M	6,200
KHS4F	B4364 HARPSWOOD-TELEGRAPH LANE	LUDLOW ROAD	whole link	Surface Dressing	Surface dressing 16/17	3600 Sq M	8,200
KHS4F	PHILLIPS WOOD XRDS-FORK WYKEN	WYKEN JCT-STAFFS CTY BDY PILLAR BOX COTT	whole link	Surface Dressing	Surface dressing 16/17	10,250 Sq M	17,600
KHS4F	B4379 BROCKTON-KEMBERTON QUARTERS	B4379 SUTTON MADDOCK ISLAND-JCT A4169	whole link	Surface Dressing	Surface dressing 16/17	6738 Sq M	11,600
KHS4F	SNOWDON LANE END OF 30MPH TO HEATH HOUSE FARM	SNOWDON ROAD	whole link	Surface Dressing	Surface dressing 16/17	6300 Sq M	11,600
KHS4F	BADGER LANE 60MPH SECTION NORTH	BADGER LANE	whole link	Surface Dressing	Surface dressing 16/17	1916 Sq M	3,500
KHS4F	BADGER LANE 60MPH SECTION SOUTH	BADGER LANE	whole link	Surface Dressing	Surface dressing 16/17	1328 Sq M	2,500
KHS4F	BADGER-B4176 STABLEFORD	STABLEFORD J WITH B4176-BADGER LN END OF	whole link	Surface Dressing	Surface dressing 16/17	6696 Sq M	12,300
KHS4F	B4368 LUDLOW ROAD MORVILLE 40MPH SECTION	LUDLOW ROAD	whole link	Surface Dressing	Surface dressing 16/17	2802 Sq M	6,400
KHS4F	B4368 30MPH SECTION-ASTON EYRE HALL FARM	B4368 FR BRICKYARD FM-LUDLOW RD MORVILLE	whole link	Surface Dressing	Surface dressing 16/17	5213 Sq M	11,900
KHS4F	ORETON BANK TO HARDWICKE FORGE JUNC	ORETON ROAD JCT ORETON TO HONEYSUCKLE JC	whole link	Surface Dressing	Surface dressing 16/17	1000 Sq M	2,300
KHS4F	BROCKTON TO A442	BROCKTON CT J A442-BROCKTON GR J B4379	whole link	Surface Dressing	Surface dressing 16/17	3845 Sq M	8,800
KHS4F	HALFWAY HOUSE LANE 60MPH SECTION	HALFWAY HOUSE LANE	whole link	Surface Dressing	Surface dressing 16/17	6825 Sq M	15,700
KHS4F	B4373 HOLLYBUSH ROAD	HOLLYBUSH ROAD	app ped xing	Surface Dressing	anti skid	350 Sq M	5,000
							266,400
Drainage Structures							
KHS4H	AVENUE ROAD				Reprofile from 15/16 programme		7,529
KHS4H	OLDFIELD LANE	OLDFIELD	near Upper Cockshutt Farm	Drainage Improvement	new outfall		7,000
KHS4H	STATION RD START TO 30MPH	STATION ROAD	near Moon House	Drainage Improvement	new outfall		20,000
							34,529
Kerbs, Footways & Cycle tracks							
KHS4J	BRIDGE RD	BRIDGE ROAD	T&WC to The Mines	Footway reconstruction	footway resurfacing	785 Sq M	9,900
KHS4J	OAKFIELD PARK MUCH WENLOCK	OAKFIELD PARK	no 26 to 60 and 31 to 63	Footway reconstruction	footway resurfacing and kerbing	654 Sq M	19,200
KHS4J	WENLOCK RD 30MPH SECTION	WENLOCK ROAD	Church Lane to Rbt	Footway reconstruction	footway resurfacing both sides	1080 Sq M	14,300
KHS4J	WENLOCK RD 30MPH SECTION	WENLOCK ROAD	Westland Drive to Portmans Way	Footway reconstruction	footway resurfacing	549 Sq M	7,100
KHS4J	WENLOCK RD 30MPH SECTION	WENLOCK ROAD	Westland Drive to Ludlow Road	Footway reconstruction	footway resurfacing	360 Sq M	4,900
KHS4J	ST CUTHBERTHS CRESCENT	ST CUTHBERTS CRESCENT		Footway reconstruction	footway resurfacing	1240 Sq M	13,600
KHS4J	ALBERT ROAD	ALBERT ROAD		Footway reconstruction	footway resurfacing	546 Sq M	6,000
KHS4J	PITCHFORD ROAD	PITCHFORD ROAD		Footway reconstruction	footway resurfacing	500 Sq M	5,500
KHS4J	B4555 BRIDGNORTH RD	BRIDGNORTH ROAD	BT Exchange to Vicarage Lane	Footway reconstruction	footway resurfacing	385 Sq M	4,200
KHS4J	SANDPIT LANE	SANDPIT LANE	Willow drive to Brookside Close	Footway reconstruction	footway resurfacing	171 Sq M	1,800
KHS4J	BROOKSIDE DRIVE	BROOKSIDE DRIVE	whole link	Footway reconstruction	footway resurfacing	135 Sq M	1,500
KHS4J	B4373 BRIDGNORTH ROAD MINI ISLAND-END 30	BRIDGNORTH ROAD	B4373 to Wilkinson Av	Footway reconstruction	footway resurfacing	210 Sq M	3,300
KHS4J	HIGH STREET START TO THE SQUARE	HIGH STREET	doctors surgery	Footway Slurry sealing	slurry seal	81 Sq M	200
KHS4J	30MPH TO HIGH STREET	STATION ROAD	The Kinsleys to High Street	Footway Slurry sealing	slurry seal	480 Sq M	900

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KHS4J	WYKE WAY	WYKE WAY	whole link	Footway Slurry sealing	slurry seal	490 Sq M	900
KHS4J	TALBOT CLOSE	TALBOT CLOSE	whole link	Footway Slurry sealing	slurry seal	352 Sq M	700
KHS4J	WYKE WAY	WYKE WAY	whole link	Footway Slurry sealing	slurry seal	396 Sq M	700
KHS4J	INNAGE CROFT	INNAGE CROFT	whole link	Footway Slurry sealing	slurry seal	356 Sq M	700
KHS4J	SCHOOL CLOSE	SCHOOL CLOSE	whole link	Footway Slurry sealing	slurry seal	154 Sq M	300
KHS4J	CARESWELL GARDENS	CARESWELL GARDENS	whole link	Footway Slurry sealing	slurry seal	428 Sq M	800
KHS4J	THE LINDENS	THE LINDENS	whole link	Footway Slurry sealing	slurry seal	798 Sq M	1,500
KHS4J	BROOKSIDE CLOSE	BROOKSIDE CLOSE	whole link	Footway Slurry sealing	slurry seal	521 Sq M	1,000
KHS4J	BROOKDALE	BROOKDALE	whole link	Footway Slurry sealing	slurry seal	576 Sq M	1,100
KHS4J	SYCAMORE CLOSE	SYCAMORE CLOSE	whole link	Footway Slurry sealing	slurry seal	496 Sq M	900
KHS4J	LABURNUM CLOSE	LABURNUM CLOSE	whole link	Footway Slurry sealing	slurry seal	388 Sq M	700
KHS4J	MAPLE CLOSE	MAPLE CLOSE	whole link	Footway Slurry sealing	slurry seal	658 Sq M	1,200
KHS4J	OAKFIELD ROAD	OAKFIELD ROAD	whole link	Footway Slurry sealing	slurry seal	669 Sq M	1,300
KHS4J	NEWFIELD CLOSE	NEWFIELD CLOSE	whole link	Footway Slurry sealing	slurry seal	456 Sq M	900
KHS4J	WORFE ROAD	WORFE ROAD	whole link	Footway Slurry sealing	slurry seal	453 Sq M	900
KHS4J	SHREWSBURY FIELDS	SHREWSBURY FIELDS	whole link	Footway Slurry sealing	slurry seal	961 Sq M	1,800
KHS4J	B4373 BRIDGNORTH ROAD MINI ISLAND-END 30	BRIDGNORTH ROAD	high street to Wilkinson Avenue	Footway Slurry sealing	slurry seal	1656 Sq M	3,100
KHS4J	HIGH CAUSEWAY	HIGH CAUSEWAY	whole link	Footway Slurry sealing	slurry seal	925 Sq M	1,700
KHS4J	SOUTHFIELD ROAD	SOUTHFIELD ROAD	whole link	Footway Slurry sealing	slurry seal	895 Sq M	1,700
							114,300
Special Allocation Projects							
KHS4P	FOOTPATH CONSTRUCTION WORKS - SEVERN TRENT		N/A	N/A	N/A	N/A	50,000
Central Shropshire							
Unallocated							
KHS5A	DIVISIONAL ANNUAL RESPONSIVE BUDGET - SECONDARY	N/A		N/A		N/A	75,000
Reconstruction							
KHS5C	HUFFLEY LANE (DIV BDY TO 40 MPH) HARLESCOTT 1308m	HUFFLEY LANE	100m from Huffley Farm	Highway Improvement Schemes	Reprofile c/way, raise outside of bend to improve crossfall		75,000
Resurfacing							
KHS5E	OAK STREET	OAK STREET	Full length of link/street	Micro Surfacing		2862 Sq M	6,900
							6,900
Surface Dressing							
KHS5F	SPRINGFIELDS TO WALLOP COTTAGES	SSDC BDY SPRINGFIELDS-WALLOP COTTS JCT	Full length of link/street	Surface Dressing	Surface dressing 16/17	8020 Sq M	14,100
KHS5F	SMETHCOTT TO PICKLESCOTT	BANK FM JCT PICKLESCOTT-RED HSE FM JCT	Full length of link/street	Surface Dressing	Surface dressing 16/17	5504 Sq M	9,700
KHS5F	SHREWSBURY AND ATCHAM BOROUGH BOUNDARY TO JUN	SABC BDY-JCT NR WOMERTON	Full length of link/street	Surface Dressing	Surface dressing 16/17	3612 Sq M	6,400
KHS5F	SHADYMOOR LANE. MOAT FARM TO WILDERLEY	MOAT FM JCT-WILDERLEY LN FM JCT	Full length of link/street	Surface Dressing	Surface dressing 16/17	10868 Sq M	19,100
KHS5F	PLAISH TO LOWER CHATWALL	CHATWALL HALL JCT-UPPER FM JCT GREYTON	Full length of link/street	Surface Dressing	Surface dressing 16/17	6983 Sq M	12,300
KHS5F	WRENTNALL TO CHURCH PULVERBATCH	BLACK LION FM J WRENTNALL-CHURTON FM J	Full length of link/street	Surface Dressing	Surface dressing 16/17	2601 Sq M	4,600
KHS5F	GREENFIELD STREET	GREENFIELD STREET	Full length of link/street	Surface Dressing	Surface dressing 16/17	1410 Sq M	2,300
KHS5F	ROUND HILL CLOSE	ROUND HILL CLOSE	Full length of link/street	Surface Dressing	Surface dressing 16/17	300 Sq M	500
KHS5F	GLENDOWER COURT	GLENDOWER COURT	Full length of link/street	Surface Dressing	Surface dressing 16/17	1104 Sq M	1,800
KHS5F	WESTMORELAND MEWS	WESTMORELAND MEWS	Full length of link/street	Surface Dressing	Surface dressing 16/17	240 Sq M	400
KHS5F	NORTHUMBERLAND PLACE	NORTHUMBERLAND PLACE	Full length of link/street	Surface Dressing	Surface dressing 16/17	534 Sq M	900
KHS5F	KENNEDY ROAD	KENNEDY ROAD	Full length of link/street	Surface Dressing	Surface dressing 16/17	5051 Sq M	8,100
KHS5F	ASHTON ROAD	ASHTON ROAD	Full length of link/street	Surface Dressing	Surface dressing 16/17	2991 Sq M	4,800
KHS5F	BUTLER ROAD	BUTLER ROAD	Full length of link/street	Surface Dressing	Surface dressing 16/17	840 Sq M	1,300
KHS5F	GREVILLE ROAD	GREVILLE ROAD	Full length of link/street	Surface Dressing	Surface dressing 16/17	605 Sq M	1,000
KHS5F	KINGSLAND ROAD	KINGSLAND ROAD	Full length of link/street	Surface Dressing	Surface dressing 16/17	3180 Sq M	5,100
KHS5F	SUNDORNE TO HAUGHMOND 50MPH SECTION	B5062SUNDORNE RD-WREKIN DIS BDY HAUGHTON	Full length of link/street	Surface Dressing	Surface dressing 16/17	9918 Sq M	22,700
KHS5F	WEEPING CROSS TO KING STREET CROSS RDS	FR A458 J WEEPING CROSS-CANTLOP XRDS	Full length of link/street	Surface Dressing	Surface dressing 16/17	26344 Sq M	60,300
							175,400
Drainage Structures							
KHS5H	BROOK FARM TO CHERRYTREES PULVERBATCH	PULVERBATCH JCT HOLLIES-LONG LN XRDS		Drainage Improvement	Construct 6.00m of filter drain		3,000
KHS5H	HABBERLEY TO BROOMHILL LANE	WHI HORSE J PULVERBATCH-HABBERLEY HALL J		Drainage Improvement	Construct new edge of carriageway drain and outfall ac		20,000
KHS5H	CHURCH PREEN SCHOOL TO RED HOUSE FM LN	CHURCH PREEN SCH JC-DAY HOUSE FM JT		Drainage Improvement	Extend existing carrier drain		10,000
KHS5H	CONDOVER GREEN TO CANTLOP XRDS	HOME FM XRDS-CANTLOP XRDS		Drainage Improvement	Pipe ditches at passing places		10,000
KHS5H	CHURCH PREEN TO MAPP FARM, KENLEY	PARKSTYLE JCT-THE COTT FM JCT		Drainage Improvement	Construct new gully and outfall		10,000
KHS5H	CHURCH PREEN TO LOWER CHATWALL V BROOME	THE COTT FM JCT CH PREEN-JCT W OF BROOME		Drainage Improvement	Construct new edge of carriageway drain		10,000
KHS5H	CARDINGTON TO CHATWALL HALL	MANOR FM JCT-CHATWALL HALL JCT		Drainage Improvement	Construct new edge of carriageway drain		10,000
KHS5H	SHADYMOOR LANE. MOAT FARM TO WILDERLEY	MOAT FM JCT-WILDERLEY LN FM JCT		Drainage Improvement	Renew collapsed drain		10,000
							83,000
Kerbs, Footways & Cycle tracks							
KHS5J	JUDITH BUTTS GARDENS	JUDITH BUTTS GARDENS	Whole street	Footway reconstruction		1877 Sq M	30,100
KHS5J	RUSHTON ROAD	RUSHTON ROAD	Whole street	Footway reconstruction		281 Sq M	4,500
KHS5J	SHREWSBURY ROAD, BOMERE HEATH (CROSS-ROADS TO V	SHREWSBURY ROAD	Whole street	Footway reconstruction		178 Sq M	2,800

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KHS5J	MERRINGTON RD, BOMERE HEATH	MERRINGTON ROAD	Whole street	Footway reconstruction		111	Sq M	1,800	
KHS5J	MERE CLOSE, BOMERE HEATH	MERE CLOSE	Whole street	Footway reconstruction		280	Sq M	4,500	
KHS5J	SPRINGFIELD WAY	SPRINGFIELD WAY	Whole street	Footway reconstruction		1150	Sq M	18,400	
KHS5J	MERE CLOSE	MERE CLOSE	Whole street	Footway reconstruction		365	Sq M	5,800	
KHS5J	SHOMERE CRESCENT	SHOMERE CRESCENT	Slabbed areas	Footway reconstruction		420	Sq M	6,700	
KHS5J	CHILDRENS WAY	CHILDRENS WAY	Whole street	Footway reconstruction		283	Sq M	4,500	
KHS5J	STAPLETON ROAD	STAPLETON ROAD	Whole street	Footway reconstruction		1075	Sq M	17,200	
KHS5J	BURTON STREET	BURTON STREET	Whole street	Footway Slurry sealing		778	Sq M	1,500	
KHS5J	NEW PARK STREET	NEW PARK STREET	Whole street	Footway Slurry sealing		422	Sq M	800	
KHS5J	SEVERN STREET	SEVERN STREET	Whole street	Footway Slurry sealing		620	Sq M	1,200	
KHS5J	JOHN STREET	JOHN STREET	Whole street	Footway Slurry sealing		569	Sq M	1,100	
KHS5J	VICTORIA STREET	VICTORIA STREET	Whole street	Footway Slurry sealing		681	Sq M	1,300	
KHS5J	BEACALLS LANE ONE-WAY	BEACALLS LANE	Whole street	Footway Slurry sealing		1077	Sq M	2,000	
KHS5J	ALBERT STREET	ALBERT STREET	Whole street	Footway Slurry sealing		504	Sq M	1,000	
KHS5J	NEW PARK ROAD	NEW PARK ROAD	Whole street	Footway Slurry sealing		2700	Sq M	5,100	
KHS5J	LINDLEY STREET	LINDLEY STREET	Whole street	Footway Slurry sealing		256	Sq M	500	
KHS5J	DORSET STREET	DORSET STREET	Whole street	Footway Slurry sealing		170	Sq M	300	
KHS5J	ARLINGTON WAY	ARLINGTON WAY	Whole street	Footway Slurry sealing		1217	Sq M	2,300	
KHS5J	FEATHERBED LANE (A5112 BATTLEFIELD RD 30MPH SECTION)	FEATHERBED LANE	Whole street	Footway Slurry sealing		2401	Sq M	4,500	
KHS5J	SUNDORNE ROAD (HEATHGATES ABOUT EXIT TO 40MPH)	SUNDORNE ROAD	Whole street	Footway Slurry sealing		6260	Sq M	11,800	
KHS5J	WOODCOTE WAY (30MPH TO MONKMOOR RD R'ABOUT)	WOODCOTE WAY	Whole street	Footway Slurry sealing		1807	Sq M	3,400	
KHS5J	SHORNCLIFFE DRIVE	SHORNCLIFFE DRIVE	Whole street	Footway Slurry sealing		742	Sq M	1,400	
KHS5J	SHORNCLIFFE WAY	SHORNCLIFFE WAY	Whole street	Footway Slurry sealing		414	Sq M	800	
								135,300	
Special Allocation Projects									
KHS5P	BECKSFIELD EMBANKMENT	N/A		N/A			N/A	N/A	150,000
South West Shropshire Unallocated									
KHS6A	DIVISIONAL ANNUAL RESPONSIVE BUDGET - SECONDARY	N/A		N/A			N/A	N/A	50,000
Reconstruction									
KHS6C	B4361 OVERTON FARM JUNCTION-OVERTON COMMON	B4361 H&W CTY BDY-OVERTON RD	Plans with Mouchel	Highway Improvement Schemes	Re-design junction (Mouchel)		N/A	N/A	26,000
Resurfacing									
KHS6E	B4386 BINWESTON LANE TO LITTLE BROCKTPN			Surfacing	Re-Profile from 15/16				56,000
KHS6E	HIGH LANE TO B4364	HIGH LN JCT-BROMDON COTT JCT B4364	Bromdon Farm Bend	Micro Surfacing	Micro Surfacing	1250	Sq M		8,000
KHS6E	CHURCH RD STOKE ST MILBOROUGH	CHURCH FARM JUNCTION TO CHURCH	Full Link	Micro Surfacing	Micro Surfacing	320	Sq M		3,500
									67,500
Surface Dressing									
KHS6F	B4385 HEATH LODGE TO MARLOW JUNC	B4385CTY BDY MARLOW-REDWOOD LN J 3 ASHES	B4385 HEATH LODGE TO MARLOW JUNC	Surface Dressing	Surface dressing 16/17	9027	Sq M		22,600
KHS6F	STEVENTON TO SERPENT	THE SERPENT JCT-STEVENTON RD START OF	From 200m North East of the Spinney to Serpe	Surface Dressing	Surface dressing 16/17	6000	Sq M		12,600
KHS6F	SERPENT TO THE SHEET JUNCTION	THE SERPENT JCT-CAYNHAM RD END OF	Serpent to Poughnhill Junc	Surface Dressing	Surface dressing 16/17	21890	Sq M		26,000
KHS6F	CWMS LANE	CWMS LANE		Surface Dressing	Surface dressing 16/17	960	Sq M		1,900
KHS6F	HOPE SCHOOL LANE	FROM A488 J HOPE TO LORDSTONE LANE	whole link	Surface Dressing	Surface dressing 16/17	4000	Sq M		8,000
KHS6F	NORTON TO ONIBURY	ONIBURY HSE JCT A49-GREENWAY X JCT B4368	Junction into Station House	Surface Dressing	Surface dressing 16/17	84	Sq M		200
KHS6F	WEST LEG ASTON MUNSLOW	SWAN COTT JCT WITH B4368-UPPER BARN		Surface Dressing	Surface dressing 16/17	600	Sq M		1,200
KHS6F	MARTONBEECH - COUNTY BOUNDARY	MARTONBEECH JCT-PCC BDY ROCK HSE SHORT X	whole link	Surface Dressing	Surface dressing 16/17	4670	Sq M		9,800
KHS6F	HOPESAY TO ROUND OAK	ROUND OAK J WITH LONG LN-CAUDIBROOK HSE	HOPESAY TO ROUND OAK	Surface Dressing	Surface dressing 16/17	4860	Sq M		10,700
KHS6F	ASHFORD BOWDLER VILLAGE	ASHFORD BOWDLER J WITH A49-ST ANDREWS CH	Entire length	Surface Dressing	Surface dressing 16/17	2112	Sq M		8,800
KHS6F	CLEETON LANE	CLEETON LANE	Cleeton Gate To Cleeton Common	Surface Dressing	Surface dressing 16/17	2700	Sq M		3,500
KHS6F	SWAN P.H.AST/MUNSLOW	SWAN INN JCT B4368-ORCHARD BUNGALOW JCT		Surface Dressing	Surface dressing 16/17	528	Sq M		1,000
KHS6F	C/B - MARTON HILL - B4386	B4386 JCT MARTON-PCC BDY LOWER HILL FM	beeches junction to county boundary	Surface Dressing	Surface dressing 16/17	6350	Sq M		13,300
KHS6F	CLUNTON TO CWM	CLUNTON BRIDGE JCT-JCT EAST OF CWM FM	CLUNTON TO CWM	Surface Dressing	Surface dressing 16/17	4582	Sq M		10,000
KHS6F	TEME AVENUE	TEME AVENUE	Entire length	Surface Dressing	Surface dressing 16/17	749	Sq M		3,700
KHS6F	NTR ASTON MUNSLOW	ORCHARD BUNGALOW JUNCTION TO CHAPEL		Surface Dressing	Surface dressing 16/17	270	Sq M		500
KHS6F	B4368 EAST CLUN GREEN BR.-CLUNTON	B4368 HIGH ST END CLUN-CRAVEN ARMS RD	B4368 EAST CLUN GREEN BR.-CLUNTON	Surface Dressing	Surface dressing 16/17	3030	Sq M		7,500
KHS6F	JOCKEY FIELD	JOCKEY FIELD	Entire length	Surface Dressing	Surface dressing 16/17	1140	Sq M		5,700
KHS6F	STOCKHALL LANE 60MPH SECTION	STOCKHALL LANE	Full Link	Surface Dressing	Surface dressing 16/17	7220	Sq M		15,000
KHS6F	NTR LITTLE LONDON ASTON MUNSLOW, 30MPH SECTION	SWAN COTT JCT WITH B4368-UPPER BARN		Surface Dressing	Surface dressing 16/17	285	Sq M		500
									162,500
Drainage Structures									
KHS6H	ARGOED TO BURLOW			Drainage Improvement	Re-Profile from 15/16				1,846
KHS6H	HILL COPPICE JUNC TO HOPTON CASTLE	BUTTERFIELD LN END OF-B4385 JCT 3 ASHES		Drainage Improvement					18,000
KHS6H	ASHFORD TO THE SERPENT 30MPH SECTION	ASHFORD HALL JCT WIT A49-THE SERPENT JCT	A49 junction east bound for approx. 120m	Drainage Improvement	Alleviate common flooding issue on c/w				12,000
KHS6H	WOOD FARM ROAD TO MILSON	TRAPNELL INN JUNCTION TO CHURCH JUNCTION		Drainage Improvement	One Gully Plus Connection				2,500
KHS6H	B4371 END OF 30MPH SECTION MOUNTVIEW TO COMMON	B4371-SANDFORD AV END- JCT COMMON LN		Drainage Improvement					13,500

Please contact: James Walton on 01743 255011

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KTR27	SHREWSBURY ROAD, COCKSHUTT (30'S TO NURSERY)	SHREWSBURY ROAD	A528/90 Shrewsbury Rd 15/16 carry over scher	Highway Improvement Schemes	6 ITP NORTH - A528 COCKSHUTT - SPEED REDUCTION		25,000
KTR29	A454 FROM FAIRFIELD HOUSE JUNC TO ROYAL OAK R/A	A454 RUDGE HTH RD J-SHIPLEY 2 J W/B4176	AD scheme	Highway Improvement Schemes	26 ITP SOUTH - A454 SPOONLEYGATE CROSSROADS IMPROVEMENT		3,000
KTR31	A41 KINGSWOOD ROAD C/BOUNDARY TO START OF ALBRI	KINGSWOOD ROAD	C4171/30 Coalport Road within 30	Highway Improvement Schemes	9 ITP SOUTH - COALPORT ROAD TRAFFIC MANAGEMENT, BROSELEY		20,000
KTR32	FEATHERBED LANE 30MPH SECTION	FEATHERBED LANE	C7108/06 Featherbed Lane 30 section	Highway Improvement Schemes	10 ITP CENTRAL - FEATHERBED LANE (ARLINGTON WAY – SUNDORN		40,000
KTR33	GREYFRIARS ROAD	GREYFRIARS ROAD	U4403/10 Greyfriars Road	Highway Improvement Schemes	11 ITP CENTRAL - COLEHAM SCHOOL SAFETY SCHEME, SHREWSBUR		20,000
KTR34	B4380 THE CRESCENT TO DE-RSTRICTION 40MPH SECTION	B4380-HOLYHEAD RD M B-HOLYHEAD RD BICT	B4380/30 Leighton village	Highway Improvement Schemes	21 ITP CENTRAL - B4380 LEIGHTON SPEED MANAGEMENT		15,000
KTR35	LONGDEN ROAD	LONGDEN ROAD	C7115/21 Longden Road	Highway Improvement Schemes	12 ITP CENTRAL - PRIORY AND MEOLE BRACE SCHOOLS SAFETY SCH		35,000
KTR36	FRODESLEY TO ACTON BURNELL (30MPH SECTION)	IZAS WOOD J LEEBOTWOOD-ACTON BURNELL J	C5156/30 Frodesley to Acton Burnell 30 section	Highway Improvement Schemes	24 ITP CENTRAL - ACTON BURNELL CROSSROADS		20,000
KTR37	HANWOOD BANK (30 AREA)	A488 HANWOOD VILLAGE	A488/570 A488 Hanwood Vil	Highway Improvement Schemes	27 ITP CENTRAL - A488 HANWOOD SPEED MANAGEMENT		10,000
KTR38	B4373 BRIDGNORTH ROAD MINI ISLAND-END 30	BRIDGNORTH ROAD	AD scheme	Highway Improvement Schemes	15 ITP SOUTH - B4373 BRIDGNORTH ROAD SPEED REDUCTION, BRO		20,000
KTR40	DARK LANE 30MPH SECTION	DARK LANE	AD scheme	Highway Improvement Schemes	16 ITP SOUTH - DARK LANE ROAD SAFETY, BROSELEY		20,000
							467,038
Traffic Management							
KTM03	RACECOURSE LANE	RACECOURSE LANE	U3804/10 Racecourse Lane	Highway Improvement Schemes	13 ITP CENTRAL - RACECOURSE LANE CLOSURE (LAMBOURN DRIVE)		20,000
KTM09	ITP SOUTH - A464 UPTON CROSSROADS SHIFNAL SIGNALS			Highway Improvement Schemes	Traffic management scheme		8,575
							28,575
Unallocated							
KT000	UNALLOCATED DESIGN BUDGET	N/A		N/A		N/A	458,535
Contribution towards other schemes							
LEP SITP Project Contribution							
KIT01	LTP ANNUAL CONTRIBUTION TO LEP SITP PROJECT			Highway Improvement Schemes		N/A	500,000
							1,604,148
Total Highways & Transport Capital Programme:							18,280,809



<u>Committee and date</u>	<u>Item</u>
Cabinet	
10 February 2016	<u>Public</u>

REPORT OF THE BUDGET 2016/17 TASK AND FINISH GROUP

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1.0 Summary

- 1.1 This report presents Performance Management Scrutiny Committee with the findings and recommendations of the Budget 2016/17 Task and Finish Group. It shares the process that followed, as well as the key emerging issues that the Task and Finish Group have identified through their work.
- 1.2 The Task and Finish Group would like to thank the Portfolio Holders, Directors and their Senior Managers, and the Chief Executive for their openness and frank discussion of the budget 2016/17 and the Financial Strategy.

2.0 Recommendations

- A. The Council should continue to actively lobby the appropriate individuals and organisations about the financial situation it finds itself in; individually and collectively with other local authorities.
- B. The Scrutiny Work Programme should have the Financial Strategy as a main focus, taking account of the work being done to develop opportunities and proposals to change the way that services are delivered. Scrutiny wish to be involved in the budget setting process at an earlier stage.
- C. More information on the impact/implications of proposed savings should be included in future years budget proposals, and as the plans for areas set out in the Financial Strategy are refined and more defined.
- D. Cabinet are asked to highlight the risks and impacts of proposed changes to achieve the Budget 2016/17, to be clear on unforeseen consequences and how they will be managed, tolerated or avoided.
- E. In order to enable a better view of how the Council is deploying its resources, future budgets should be aligned with the future long term strategy of the Council and as well as the more operational split to service areas.
- F. The work through 2016/17 and future work should pay greater attention to the identification and realisation of income generation and invest to save opportunities by all means available to the Council.

- G. Communication and engagement with all stakeholders and communities on the reality of the situation affecting the Council and the opportunities and options which are available to deliver current services differently, must be a priority.
- H. Work with partners needs to continue to ensure that wherever possible plans and actions do not shunt risks and costs between organisations, and joint and integrated working is explored and implemented to maximise the impact of resources.
- I. The Council should explore with partners, providers and communities how appropriate support can be put in place to enable them to take up opportunities to ensure services that communities' value continue to be available to them.

3.0 Risk Assessment and Opportunities Appraisal

- 3.1 The Council has developed a Sustainable Business Model to help work through the difficult choices that need to be made with a reducing budget and statutory requirements.
- 3.2 This Task and Finish group has focused on the Budget for 2016/17, but also taken account of the context of the Financial Strategy for 2017/18 and 2018/19. It is clear that all changes to meet the challenges faced by the Council now carry risks, whether they are political, economic, social, technological, legal or environmental. The Task and Finish group believe that more information on the potential impact or implications of the budget proposals would have helped them to fulfil this activity.
- 3.3 The Task and Finish Group have considered some risks and opportunities these with Senior Officers and Portfolio Holders where it has been possible to do so. As services are redesigned and options for future delivery are identified the process for doing this should include identifying opportunities and the risks of achieving the as an early step with the specification of future arrangements.

- **4.0 Financial Implications**

- 4.1 This report will be presented to Cabinet to inform the Budget for 2016/17. The report sets out the view and recommendations of the Task and Finish Group, and subject to Cabinet agreeing any specific recommendations and alternative suggestion that may be made, does not have any direct financial implications.

5.0 Context

- 5.1 The Task and Finish Group has focused on the proposals for the Council Budget 2016/17, but also sought to understand the future direction set out in the financial strategy to inform their consideration.
- 5.2 The Objectives for the Task and Finish Group were as follows:
 - To consider the budget proposals and identify the priority areas for further consideration and the relevant people to hear from to inform this work.
 - To develop lines of enquiry and provide any witnesses with the requests for information to provide sufficient time for responses to be developed and supporting information provided.

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- To consider the emerging information arising from the Big Conversation.
- To consider options and evidence of what works that is applied in other areas of the Country and use this inform the formulation of any recommendations for alternative proposals.
- To identify any likely impacts of the budget proposals and explore how these will be managed with the relevant officers and Portfolio Holders.
- To make recommendations to Cabinet on the proposed 2016/17 Budget
- To identify any topics to be added to Scrutiny Committee work programmes.
- To understand the process of saving identification
- To understand the rationale for the decommissioning process and the implications for 2016/17.

5.3 The Task and Finish Group consisted of the following Members:

- Cllr Hannah Fraser – Chair
- Cllr Vince Hunt – Vice Chair
- Cllr Alan Mosley
- Cllr Gwilym Butler
- Cllr Nick Bardsley

5.4 In order to achieve their objectives and make the most of the time available the Task and Finish group identified the key questions that they wanted to ask of the Chief Executive, Section 151 Officer and to Directors and their senior managers. These questions were circulated in advance of the meeting and are attached at appendix 1. An additional meeting of the Task and Finish group was added to take place on the 27 January following the Special Cabinet Meeting for the Task and Finish Group to meet with Portfolio Holders.

5.5 The report of the Task and Finish group will be presented to the Performance Management Scrutiny Committee on the 3 February 2016, and will then go to Cabinet on the 10 February.

6.0 Key findings

6.1 Based on the Autumn Budget Statement and Settlement the Task and Finish Group received the following essential messages from the Chief Executive and Section 151 Officer that helped to explain the challenges that the Budget 2016/17 and the Financial Strategy are setting out to address:

- Expected cuts to Government funding will be frontloaded and will include additional responsibilities.
- There is a stated shift by National Government to Local Government being self-sufficient for funding e.g. through locally raised funds such as Council Tax and Business Rates. [For Council Tax, it was shared that the Treasury assumption is that all upper tier Councils would take up the 2% precept for Adult Social Care and a 1.75% to 1.99% increase which would be below the 2% referendum level.]
- The proposal for Shropshire was Council Tax would increase by 3.99%, in line with the Treasury assumption. This would be for 2016/17, and going forward into future years.

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- The provisional settlement for the next 4 years does not detail what will happen with 100% retention of Business Rates. However, a shift in liabilities to the Council is expected including covering Attendance Allowance and the Public Health Grant. The cost of liabilities would be expected to exceed the value of the retained grant.
 - The Council is budgeting for an additional £2million for the increase in National Insurance contributions.
 - The living wage is expected to require £1million per year through to 2020/21 when the level set by the Chancellor is reached. The Council expecting to be paying an additional £5m from base budget in 5 years.
 - Allowance of £500,000 per year in the base budget is being made for Apprenticeships.
 - Some urban authorities will be net beneficiaries over the coming years. Shropshire Council expects to be a net loser. Cuts to urban authorities will also not be frontloaded.
 - The Rural Services Delivery Grant is used to cover the additional cost of delivery in rural areas, and this could be worth an additional £5million for Shropshire by 2019/20. At present, it is proposed to use this grant to cover the loss of Care Act funding to Adult Social Care in 2016/7 and 2017/18.
 - The Council is lobbying through the County Council's Network and Local Government Association to raise the issues and challenges being faced.
- 6.2 Each Directorate continues to face different challenges over the coming years. The Task and Finish Group identified that Directors had greater confidence in achieving the savings in 2016/17 than in the coming years. There were also differing degrees of confidence expressed by Directors in achieving the full planned savings for 2016/17, and all highlighted the challenges and that delivering the required savings over the coming years would result in changes to the way services are currently provided.
- 6.3 In order to achieve the savings over the coming year Directors described a range of approaches which covered redesign of current services both provided from within the Council and by external providers, including through the renegotiation of contracts, changes to opening hours or levels of service, through recommissioning, and through closer working with Town and Parish Councils.
- 6.4 In Adult Social Care, no new savings are identified for 2016/17, however there is a requirement to deliver £3.2M of savings identified but not achieved from last years' budget. A key mechanism of delivering these and future savings is to provision for supported living to reduce demand for residential care. These savings are achievable but subject to some risk of slippage. Ongoing savings identified for 2017/18 include cuts to preventative services which may in fact be statutory under the Care Act, and these savings are therefore highly uncertain. There is a significant risk that reductions in preventative services will increase demand for statutory services, putting further pressure on budgets. A significant factor contributing to budget pressures in Adult Social Care (ASC) is the volatility of demand in hospital discharges and complex

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- care packages. There is scope for significant improvements in working arrangements with Clinical Commissioning Group (CCG) and NHS partners to help control these costs, if there is the will amongst all partner organisations to contribute to these improvements.
- 6.5 The Task and Finish group received evidence highlighting the impact of demographic pressures on services such as an increasing older population, as well as factors outside of the Council's control such as the impact of the weather, changes in circumstance of people who had been paying for their own care, and the priorities and policies of partners.
- 6.6 In Young People's Services, the 2016/17 budget includes changes to provisioning residential care for Looked After Children, and redesign of some early help/support services. The volatility of demand, particularly with regard to Looked After Children puts these savings at some risk. The Task and Finish Group were assured that the needs of the child were put ahead of budget considerations when designing care packages. There is genuine concern that the savings required for the 2017/18 budget are not deliverable, and that the level of service reduction in many important areas will not only impede the Directorate's ability to deliver statutory services and control demand, but will have implications for outcomes for Shropshire's Children. Increased capacity would assist in making changes that could achieve savings, although the capacity and willingness of stakeholders can also be a factor in progress. Work is ongoing to find ways that future budget requirements can be met with less impact on services.
- 6.7 In the Commissioning Directorate, many of the services that will be subject to change in 2016/17 and moving forward are those that are most visible to most of the public, and many savings proposals will be subject to public consultation. At present, the specific details of changes across many service areas are not fully defined. Whilst the budget changes for 2016/17 are considered deliverable, it is difficult to evaluate the likely impact of service changes.
- 6.8 The importance of preventative services was discussed in relation to helping manage demand. Additionally, the Task and Finish Group recognised the complex interdependences and linkages that exist across all of the Council's service areas to meet the wide ranging statutory requirements that the Council is responsible for. Non-statutory services provided by or organised through the Commissioning Directorate enable other Directorates to achieve their statutory responsibilities, for example the provision of swimming pools so that children can learn to swim, and the provision of public transport.
- 6.9 Work is continuing with Town and Parish Council's to explore how they might take on the management of services important to their communities, and the handing over assets to ensure that they remain accessible to communities. This is of particular importance for ongoing delivery of services such as leisure centres, museums, parks and countryside, community development, arts and culture, where the Council's budget in 2017/18 is planned to reduce to zero.
- 6.10 The Task and Finish Group raised concerns about the capacity of Town and Parish Councils to deliver or provision for these services, some of which entail

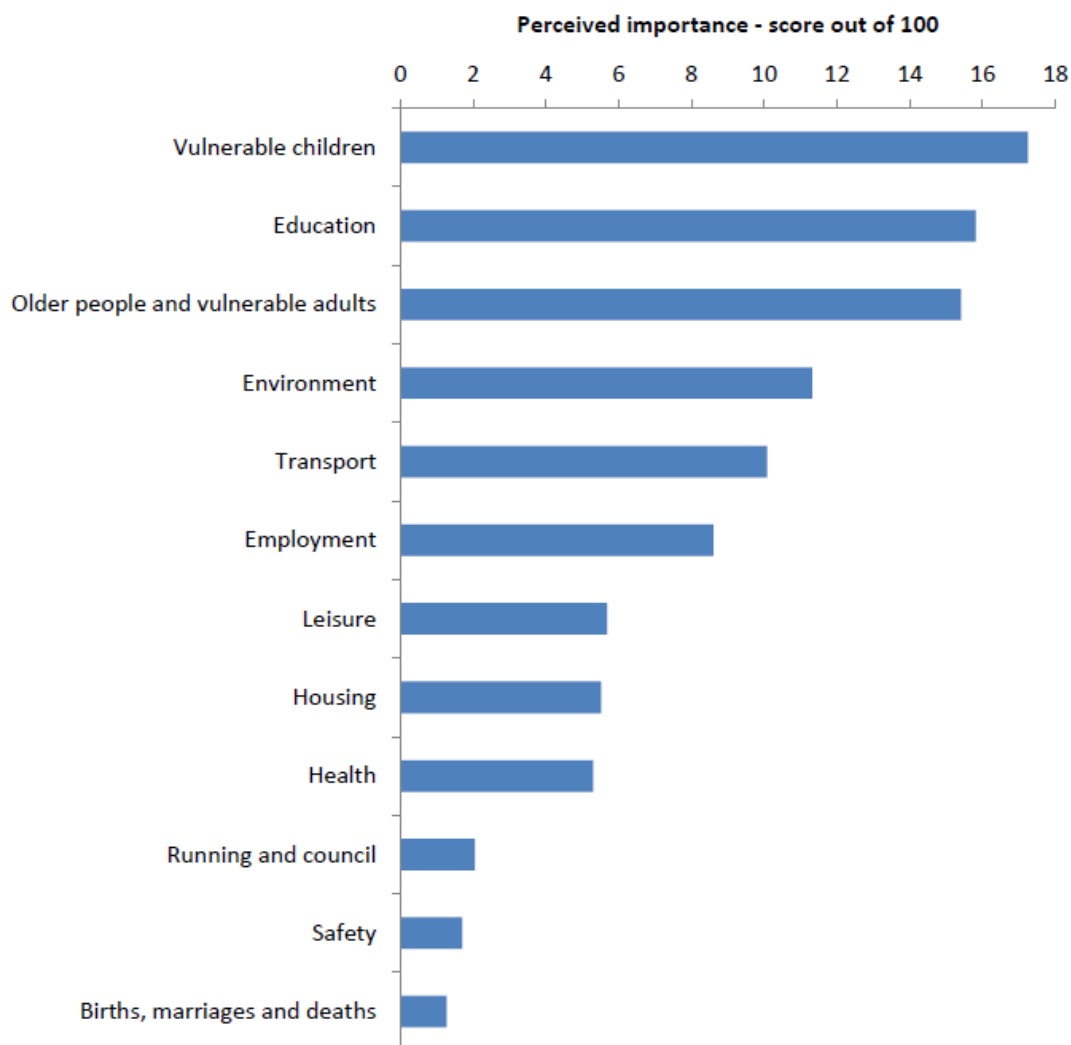
significant costs. It is important that the ongoing fate of these services is monitored by the Council particularly where there may be impacts on delivery of statutory services, and where cessation of services would have significant impact on the quality of life for residents.

- 6.11 Behaviour change was discussed as a means of reducing demand and therefore costs. There was little evidence that any Directorates were provisioning to encourage or incentivise behaviour change, nor indeed any evidence that this is truly a viable mechanism to achieve the required levels of savings and maintain the provision of services in communities in the timescales the Council is working within. The focus on enabling people and communities to do more for themselves and others would require a shift from people looking to the Council and other public services to do things for them, to people taking the responsibility and feeling empowered to do so.
- 6.12 The Task and Finish Group also identified that the Council should have a continued role in supporting networks of local provision to achieve economies of scale and to help develop the capacity and sustainability of partners and providers. This role might in future be commissioned from Shropshire Council by, for example, Town and Parish Councils and the Voluntary Community and Social Enterprise sector.
- 6.13 The investment in IT was identified to the Task and Finish Group as an essential step in helping the Council maximise the opportunities and benefits that technology can bring to the Council and people who want to contact the Council or who receive or use services. Getting the right systems in place could help automate processes and enable significant redesign of services.
- 6.14 In relation to ip&e, members of the Task and Finish Group heard that no assumptions had been made in relation to income generated by ip&e. They were informed that a review was underway which was taking account of current and likely future trading.
- 6.15 The Big Conversation started in November with a survey running until the 6 January 2016. The survey has been followed by focus groups, and will feed into action planning workshops. The survey results identify the following key points:
- A total of 2,271 survey responses were received
 - 77% respondents agree that the Council should combine services with other Council's and Public Sector organisations.
 - 53% agree with investing in IT to reduce staff costs
 - 62% agree that some services should be protected and others cut back to make savings
 - 61% agree to some extent that the Council should make more use of local residents and volunteers
 - 71% of respondents agree that communities should be enabled to do more for themselves
 - 32% of respondents are willing or very willing to contribute through participation or volunteering. Only 15% stated they were not willing to do so.

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- More than 55% of respondents agree that fees should be increased so that the costs of some services are largely paid for by the direct user.
- 49% of respondents agreed with raising Council Tax compared to 34% who disagreed. 15% of respondents identified that they neither agreed or disagreed with increasing Council Tax.

6.16 The survey also sought to understand the perceived importance of services areas identified by people completing it:



7.0 Conclusions

7.1 The Council needs to achieve balanced budgets for 2016/17 and subsequent years. This is becoming increasingly challenging as the available funding reduces.

7.2 The current financial strategy should place more emphasis on increasing available funding, by all means available to the Council, rather than focusing solely on service reduction.

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- 7.3 Based on the information and feedback provided, the Task and Finish group believe that there is a risk of slippage in the 2016/17 budget, and therefore implications for future budgets.
- 7.4 The reliance on one-off savings in the 2016/17 budget continues to be a concern, as this creates ongoing pressures for future budgets and highlights a lack of sustainability in the current operation.
- 7.5 The likely impact of the cuts to services to Shropshire residents remains unclear, even at this late stage of budget development.
- 7.6 National Government policy has shifted from no increases in Council Tax to local authorities generating income to cover all of their costs through Council Tax and Business Rates. Information received by the Task and Finish group indicates that, should this be the final position, the Council will be a net loser in relation to income.
- 7.7 The Task and Finish Group supports the attempts to raise awareness nationally about the impact of cuts to Shropshire Council's budget. Lobbying Shropshire MPs, and nationally through the County Council Network and Local Government Association must continue to promote fairer funding for rural counties, and fairer funding for Adult Social Care. In addition, measures to mitigate the impact of freezing council tax over 7 years must be sought.
- 7.8 Innovative approaches have been identified to meet future budget requirements, with a great deal of reliance on Town and Parish Councils and VCS to provide services. The Council must maintain sufficient support to local delivery networks to ensure ongoing service provision, particularly where impacts to statutory services or quality of life for residents are identified.
- 7.9 There is a significant focus and reliance on reducing demand through changing behaviours. If this is to be a meaningful strategy for reducing expenditure, evidence based approaches should be rapidly developed to achieve change.
- 7.10 The value of preventative services was a common feature of the information shared by Directors and their senior managers. There is a significant risk of uncontrolled demand on budgets if preventative services are cut without regard to likely consequences. The Task and Finish group recognise this and believe qualitative and quantitative analysis of the benefits and impacts of preventative services needs to be undertaken to understand the implications of any changes in provision in order to help avoid any unforeseen or unplanned consequences.
- 7.15 The discussions with the Directors and their senior managers identified that partners can and do have an impact on the Council's ability to achieve its savings, and vice versa. It would be prudent to identify and develop opportunities for partners to pull together on appropriate service areas and pool budgets and explore and implement integrated commissioning to avoid duplication and maximise the reach and impact of resources.
- 7.16 The Council would benefit from a clearer stated Strategy for Change over the coming years, to define its future role under more austere conditions. Without

a clearer sense of its purpose and role, the Council is at risk of losing knowledge, skills, expertise and assets in an uncontrolled manner which is unhelpful to its future endeavours.

- 7.17 Business rates are an important consideration, which are not fully addressed by the Financial Strategy due to a lack of information from central government. Nonetheless, it is clear that maximising business rates income must be an ongoing priority, and sufficient investment in understanding how this can be achieved is needed.
- 7.18 The timescales to consider the 2016/17 budget have been too short. The issues which need to be addressed and the significant changes to the way that services are delivered would benefit from an early start to look at the emerging plans for 2017/18 and 2018/19. This needs to begin as soon as possible.
- 7.19 It is clear that the financial strategy for 2017/18 and onwards is extremely challenging, and that current proposals for meeting a balanced budget may not be deliverable, particularly with regard to protection of vulnerable children and adults. Additionally, significant cuts to supporting and preventative services across all directorates may have impacts to the delivery of statutory duties, and to outcomes for Shropshire Residents. Work is ongoing to find ways of minimising the impacts of cutting expenditure.
- 7.20 Scrutiny needs to have an active and value adding role in this; taking an earlier view of the development of the proposals to deliver balanced budgets over future years. The Scrutiny Work Programme, can be structured around the Financial Strategy. The experience and knowledge developed through this activity should be used this to inform consideration of plans and proposals during the relevant Budget consultation period. This needs to be constructive and work with the relevant service areas, providing challenge as well as using the strengths of scrutiny such as engagement.

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

Financial Strategy 2016/17 to 2020/21 – Cabinet 9 December 2015

Cabinet Member (Portfolio Holder)

Michael Wood

Local Member

All

Appendices

Appendix 1 – Questions to Directors, Senior Managers, Chief Executive and Section 151 Officer

Appendix 2 – Questions to Portfolio Holders

Scrutiny Session with Directors, Senior Managers, Chief Executive and Section 151 Officer

Monday 11 January 2016

Who?	Areas of focus and specific questions
Questions for all Directors	<ul style="list-style-type: none"> • Please can you explain the savings to be made in your Directorate? • Are the savings that have been identified realistic and achievable? • Please can you explain the unachievable savings for your Directorate? • What is the process that is followed to identify a saving? • What are the minimum levels we can operate, commission or enable to achieve the Mandatory and Discretionary services? • How have/will Mandatory and Discretionary services be reflected in the protected, maintained, temporary and decommissioned services categories? • What will services look like in the future? What will the impact of the savings be/what are they expected to be? • Have unforeseen impacts been identified associated with the proposals for 2016/17 and beyond, and how will they been managed?
Questions for the Chief Executive and Section 151 Officer	<ul style="list-style-type: none"> • If services are going to be decommissioned (stopped) in 2018/19 – why not generate the saving in 2017/18 or 2016/17 and make the savings earlier and ‘put the money in the bank’?

	<ul style="list-style-type: none"> • Why is decommissioning tapered in the way it is? • Are plans in place to avoid slippage in future years and has learning been identified and acted on to achieve this? • What is the split of budget between Mandatory Services and Discretionary Services? (What proportion of the budget is allocated to Discretionary Services and roughly what proportion of the services that the Council provides would fit into this group?) • What contribution is ip&e making to the savings? • How many services within the temporary and decommissioned services are being moved to ip&e? • How does the settlement and other recent announcements impact on the Financial Strategy Report? • How have staff been involved in the development of the strategy and plans? • How have service areas been identified within the four different categories in the Financial Strategy report? • What services are within the three other categories that are not protected? How will the findings of the Big Conversation be used to inform or change this?
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Questions to Portfolio Holders (Task and Finish Group Session – Wednesday 27 January 2016):

- What is your view and understanding of the key strategies to deliver savings in your portfolio?
- What are the expected impacts of the savings proposed in the Budget 2016/17 in your Portfolio?
- How does Commissioning relate to your portfolio?
- What is your understanding of how behaviours could be changed to deliver savings in your areas of responsibility to reduce demand for services and enable communities and people to do more for themselves? How confident are you that this will be successful?
- What opportunities are there to work together across the Council and with partners to commission services and outcomes to maximise the benefit achieved?

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Committee and Date

Cabinet
10 February 2016

STATEMENT OF CHIEF FINANCIAL OFFICER ON THE ROBUSTNESS OF THE ESTIMATES AND ADEQUACY OF RESERVES 2015-19

Responsible Officer James Walton

Email: james.walton@shropshire.gov.uk

Telephone: (01743) 255011

1. Summary

- 1.1. Under Section 25 of the Local Government Act 2003, the Authority's Chief Financial Officer is required to report on the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed reserves.

2. Recommendations

Members are asked to:

- A Approve the recommended level of general balances to support the 2016/17 revenue budget at £28.20m, noting that the projected balance will be below this for 2016/17;
- B Note the projected recommended level of general reserves for the following two years at £26.45m in 2017/18 and £20.13m in 2018/19.

3. Background

- 3.1. Each year council considers a Statement of the Robustness of Estimates. Budget estimates are estimates of spending and income made at a point in time. This statement about the robustness of estimates cannot give a guaranteed assurance about the budget, but in an objective and systematic manner gives members reasonable assurances that the budget has been based on the best available information and assumptions.
- 3.2. In order to meet the requirements for the robustness of estimates a number of key processes were put into place, including:
 - Review of expenditure and resources for the entire council for next five years under a new Sustainable Business Model to identify the underlying viability of the council's resource envelope when compared to cost.
 - Review of existing budgets and focus on key risk areas as part of the budget setting and budget monitoring process. For example, our key risk area in terms of budget size and volatility is Adult Services. Over the last twelve months, key personnel have been gaining a better understanding of cost drivers within the

new operating model for this service area. As a result we have a better understanding of the pressures in this area and have used this in the modelling of future costs.

- Identification of the in-year and the full year impact of any variations compared to budget. This ensures that the underlying budget and any pressure can always be separately identified and arrangements to manage pressures (for example by the use of one-off resources) is undertaken in an open and transparent mechanism, approved by Cabinet.
- The Financial Strategy and Budget Monitoring Reports are updated and reported to Cabinet on a quarterly basis. In this period of unprecedented uncertainty in terms of Local Government funding and spending pressures, the latest position is always reported transparently even though this position can change significantly from one reporting period to the next.
- Separation of roles within the Finance Team in setting budget control totals, identifying budget requirement and inputting into the Finance System which is subject to review by Internal Audit as part of the Council's Internal Audit Plan.
- Review by Finance Staff with Service Managers to understand the achievability, deliverability and timescales for all proposed service redesign.
- Reporting of the business planning and budget setting process including savings proposals to the relevant Scrutiny Committees to enable review and challenge.
- Notwithstanding these arrangements, which are designed to test the budget throughout its various stages of development, considerable reliance is placed on Senior Managers having proper arrangements in place to identify issues, project demand data, performance information and to consider value for money and efficiency.

3.3. On an annual basis the Council also considers the level of reserves held, including the General Fund Balance, to assess whether they are adequate. There are two main approaches for deciding the optimum level of the general balances. One method is to set an arbitrary percentage of expenditure, however this generally has little reflection of the potential contingencies that the Council may need to draw on. An alternative, preferable, method is an approach based on a risk assessment of the budget.

3.4. This paper sets out the framework for a risk assessment approach. The issues the framework considers include strategic, operational and financial risks that the authority is facing. This includes, for example, changes in external funding or the council's ability to deliver savings; the effectiveness of budget monitoring to identify variances from spending plans and trigger timely remedial action; the availability of other funds to cover costs – for example, from an insurance policy, or from the government under the Bellwin Scheme for emergency financial assistance; and the extent to which contingency is built into individual departmental budgets and the council's overall budget.

4. **Risk Assessment**

- 4.1. On an annual basis the Council will undertake a formal review of risks associated with the budget and Financial Strategy and identify balances at appropriate level compared to the risks. The development and introduction of this risk assessment is not intended to replace the Council's existing Risk Registers, rather that they should inform any revision of these Risk Registers.
- 4.2. The Risk Assessment is intended to form part of the onward budgetary control framework and used at budgetary control meetings with service area personnel and reviewed annually by the authority.
- 4.3. Throughout the budget process Members are able to challenge and assess the robustness of budgets and the achievability of savings, income and budget reductions. The key financial risks that remain are:
 - Changes to staffing arrangements through redundancy, restructure or remodelling of services or the overall Council Structure;
 - The delivery of service redesign proposals, savings and income targets and efficiency measures within the required timeframe;
 - Changes to the Capital Programme, to achieve the policy objective of eliminating Prudential Borrowing, unless it is self-funding or internal borrowing;
 - Improvements in budgeting and/or associated IT systems, the implementation of which may throw up funding challenges;
 - The impact of changes on a national or regional basis that do not fall within the existing budget process; and
 - Lack of clarity from Central Government on the future funding levels and changes to Local Government powers and financing, plus increased uncertainty re: local resources, which inhibits the ability to calculate future budgets.
 - Inability to set a sustainable budget with the resources available, resulting in services not being delivered or a legal budget not being set from 2017/18 and beyond.
- 4.4. These assumptions and potential changing circumstances will require the forecasts for future years to be reviewed in each financial year leading to more detailed budgets being prepared for the next financial year and for the Medium Term Financial Strategy. Impacts within year are reported to Members within the existing monitoring reports for both revenue and capital.

5. Robustness of Revenue Estimates

- 5.1. The 2016/17 budget process continues progress in improving the Council’s budget preparation, most notably in the process of medium term forecasting due to information and trend data drawn from the monitoring of the budget and associated systems, reported as a minimum to Cabinet on a quarterly basis.
- 5.2. As part of developing the 2016/17 budget, Council Members have had the opportunity to consider available options, implications and impact on outcomes, and these are reflected in the proposed budget.
- 5.3. The development of the 3 year financial strategy has reported on the Council’s need for services to be fully funded from sustainable resources over the next five years and the move towards this is demonstrated in the resources and expenditure projections given in Table 1 below. This is reflected in the Council’s Business Plan and Financial Strategy, which has identified a funding gap of £61 million over the three years to 2018/19.

Table 1: Gross Resources and Expenditure Projections (£’000s)

	2016/17	2017/18	2018/19
Projected Resources	565,377	568,152	568,440
Current Projected Expenditure	596,902	616,121	629,456
Funding Gap	31,526	47,969	61,017
Year on Year Funding Gap		16,443	13,047

- 5.4. In addition to the £61 million funding gap, the Financial Strategy includes plans to resolve non-delivery of 2015/16 savings by applying one off resources in 2016/17. These will then be added to the funding gap for 2017/18 in addition to any savings funded through one off resources in 2016/17 and thereby will increase the savings delivery required in 2017/18. Savings proposals have been identified for 2016/17 and 2017/18 however more than half of these are RAG rated as Red in terms of deliverability and so progress against these proposals will be monitored carefully to consider the impact on the budget strategy.
- 5.5. To improve the medium term financial planning for the authority it is proposed to undertake mid-term reviews of the medium Term Financial Strategy every two years (with a refresh in intervening years), extending the existing plan by two years at each review. Annex 1 shows the factors taken into account in developing the draft budget.
- 5.6. The impact of pressures identified in Adult Services has resulted in a number of changes being made to the Council’s budget very shortly before the Council’s budget is set. This reflects the increasingly dynamic variations seen within this service area, and with reduced resources elsewhere, the sharpening of the impact of these changes on the overall position of the Council. The robust procedures in place and the clear understanding of how reliance is placed on different funding streams across the authority (for example the use of one off resources and the continued retention of a

risk assessed General Fund Balance) ensure that the Council is able to set a legal budget. This in itself allows greater time for consideration of these issues, in this case 12 months before the 2017/18 budget is set.

6. Capital Budget

- 6.1. The agreed programme is fully funded within the 3 year timescale however this is heavily dependent on the Council generating significant levels of capital receipts. Projects have been costed at current year prices but may be subject to tender process after inclusion in the programme which may lead to a variance in the final cost. In some areas, the design brief may not be finalised, again giving rise to potential price variance.
- 6.2. The risk of the Council being unable to fund variations outside of the programme is minimal mainly due to phasing of projects. If necessary the Council can choose to freeze parts of the programme throughout the year to ensure spend is kept within the agreed budget.
- 6.3. There are two main risks.
 - Firstly, the ability to deliver the capital programme within the agreed timescales. Slippage from 2015/16 is fully funded over the Financial Strategy period but this in itself will increase pressure on the Council to deliver the anticipated 2016/17 programme.
 - Secondly, the draft 3 year 2015-18 programme has an amount set aside for new starts based on the availability of capital receipts. In the continuing, difficult financial climate, these receipts may be lower than expected, which will have to be managed.
- 6.4. The capital programme will be actively managed and reprofiled during the course of the financial year to reflect scheme delivery timescales and revisions to funding agreements for projects. However at the end of the year, slippage within the programme normally occurs which had not previously been anticipated. This will be due to delays in delivery of schemes and the net of underspends and overspends against specific projects. As shown in Table 2 below, in 2014/15 there was slippage of £12.180m which represents 18.3% of the revised capital programme. Action has already been taken during the course of 2015/16 to reprofile budgets to future years to reflect latest data on project delivery.

Table 2: Three Year Capital position (£000's)

	2014/15	2015/16	2016/17
Capital Programme	+58,347	+51,543	+55,868
Reprofile Budgets	+8,086	-153	-
Revised Capital Programme	+66,433	+51,390	+55,868
Slippage	-12,180	-	-
Actual Capital Programme	+54,253	+51,390	+55,868

6.5 The capital programme includes a target for capital receipts to be delivered to ensure the programme is fully funded and removing the necessity for prudential borrowing to be undertaken to meet a funding gap. This target generally decreases during the course of the year to reflect the reprofiled budget, however the full capital receipt target will still be required to fully fund the capital programme. In 2014/15 capital receipts of £4.4m was generated and in addition to those brought forward from previous years, the level of receipts were over the value required to fund the re-profiled capital programme.

6.6 Over the last 2 years (2014/15 and 2015/16) the level of capital receipts have been sufficient for a balance of capital receipts to be carried forward to offset any requirement for funding in the next financial year. This has been managed by natural slippage in the programme which has enabled other sources of funding to be used initially. In 2016/17 the level of capital receipts required is £27m and a shortfall of £13m currently exists within receipt projections. Whilst every effort will be made to bring this level of resources in to the Council, should there be a delay in the delivery schedule of capital receipts it is anticipated that this will again be controlled through natural and potentially managed slippage in the capital programme.

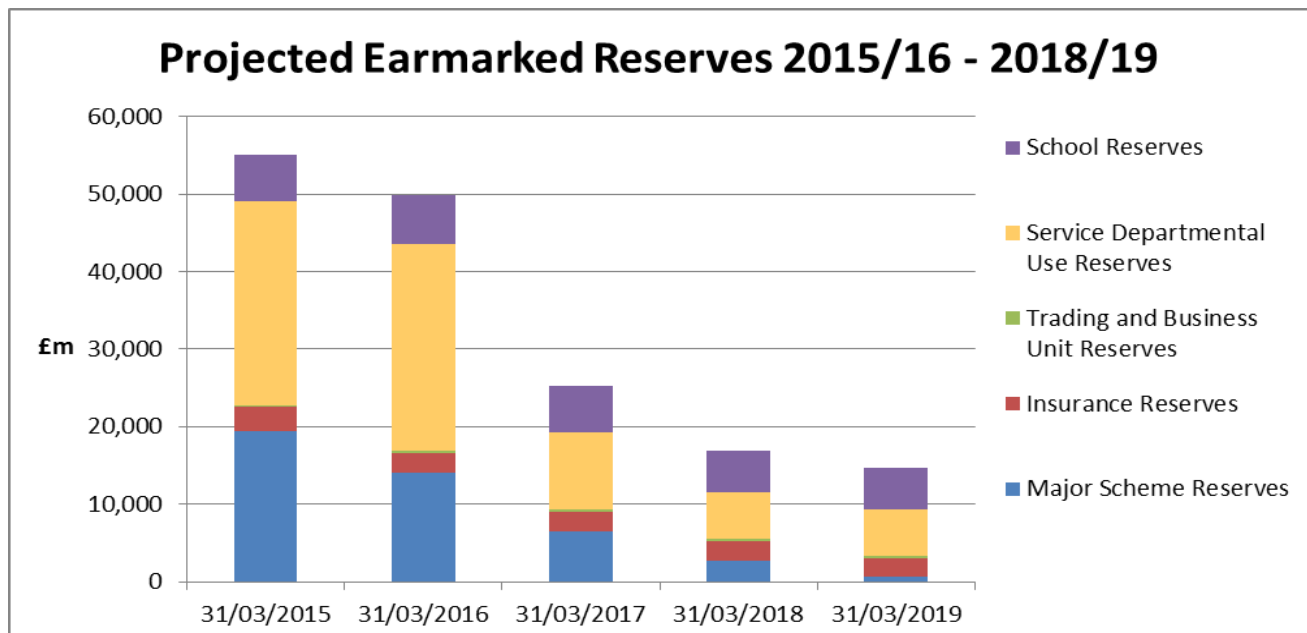
7. The Framework for the General Balance

7.1 A Framework has been developed to identify areas of risk with an appropriate budget amount, an assessed level of risk (high, medium and low) and a percentage factor which will vary according to the level of risk. This process produces a value from which a risk assessed optimum level of general balance can be created.

7.2 There are six main areas that the General Fund Balance is required to cover and the individual risks within these areas have been considered. These risks are detailed, with explanatory text, in Appendix 1, while Appendix 2 provides a summary of the calculation for the general balance.

8. Review of Earmarked Reserves and Provisions

- 8.1 A review of the earmarked balances held by the Council has also been performed to establish the purpose of the reserves and the likely timescale that these reserves will be utilised.
- 8.2 Earmarked reserves are created to meet known or predicted requirements in the future. There are 5 main categories of earmarked reserves that the Council holds:
- Sums set aside for major schemes, such as capital developments, or to fund major reorganisations
 - Insurance Reserves
 - Reserves of trading and business units
 - Reserves retained for service departmental use
 - School Balances
- 8.3 The Council held balances of £55.026m in earmarked reserves at 31 March 2015 which includes schools budget balances of £5.892m. During the course of 2015/16 it is anticipated that a net £14.903m will be released from earmarked reserves to fund known commitments, however this will be offset by a contribution of £9.8m to fund savings proposals in 2016/17 as agreed in the Financial Strategy paper to Cabinet in December 2015. A full breakdown of the earmarked reserves is attached at Appendix 3 with details of the purpose of each reserve.
- 8.4 A projection has been made on the level of earmarked reserves that will be held over the next 3 years of the financial strategy based on likely timescales of when these balances will be used to fund known commitments, investment in service redesign and help to smooth the impact of savings proposals. Overall a reduction of 73% is anticipated in the earmarked reserves held and this is shown in the graph below.



9. General Fund Balance

- 9.1 It is essential in setting a balanced budget that the Council has money available in the event of unexpected spending pressures. The “balances” need to reflect spending experience and risks to which the Council is exposed.
- 9.2 The revenue monitoring reports have provided members with an updated projection on the General Fund and the projected General Fund Balance is provided below:

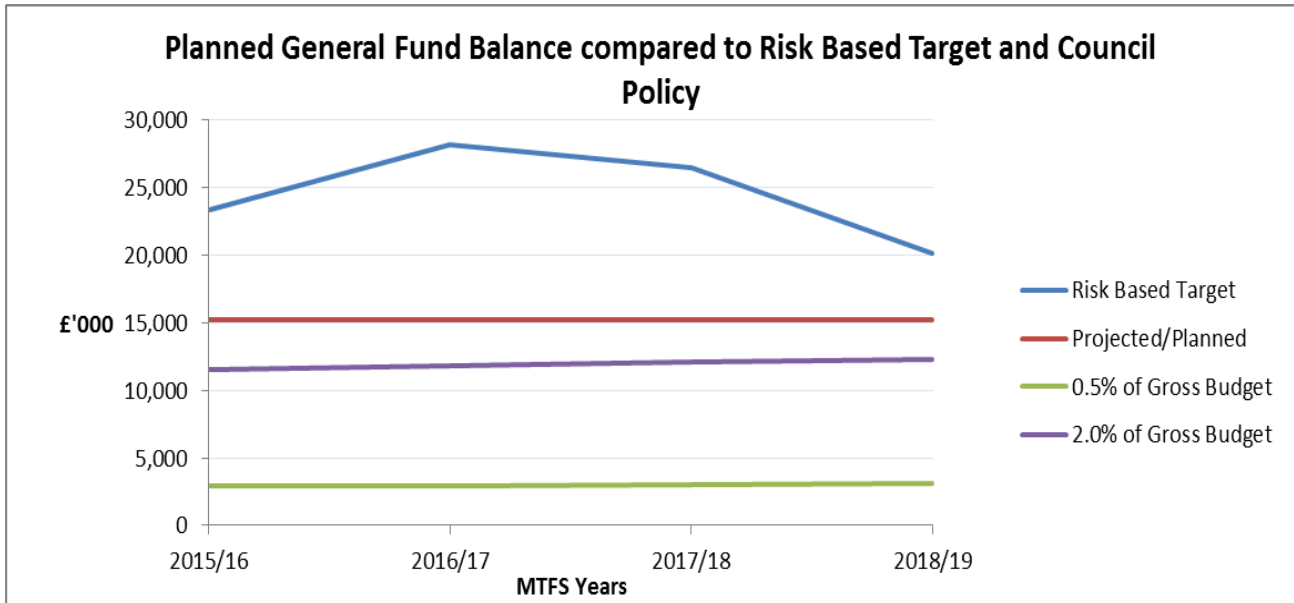
	Projection as per Quarter 3 (£'000)
General Fund Balances as at 31 March 2015	15,206
Budgeted contribution to General Fund Balance	409
Projected outturn as at Quarter 3	(403)
Projected General Fund Balance as at 31 March 2016	15,212

- 9.3 The Financial Strategy recognised that balances need to be increased to the risk assessed level and additional base budget contributions have been made over the last 4 years to increased the balance to its current level. 2015/16 is the final year that the budget includes any base budget contribution and so the projected level as per the Financial Strategy will now remain at £15.212m. The risk based calculation for the General Fund Balance is significantly higher than this value over the course of the 3 year Financial Strategy as shown below:

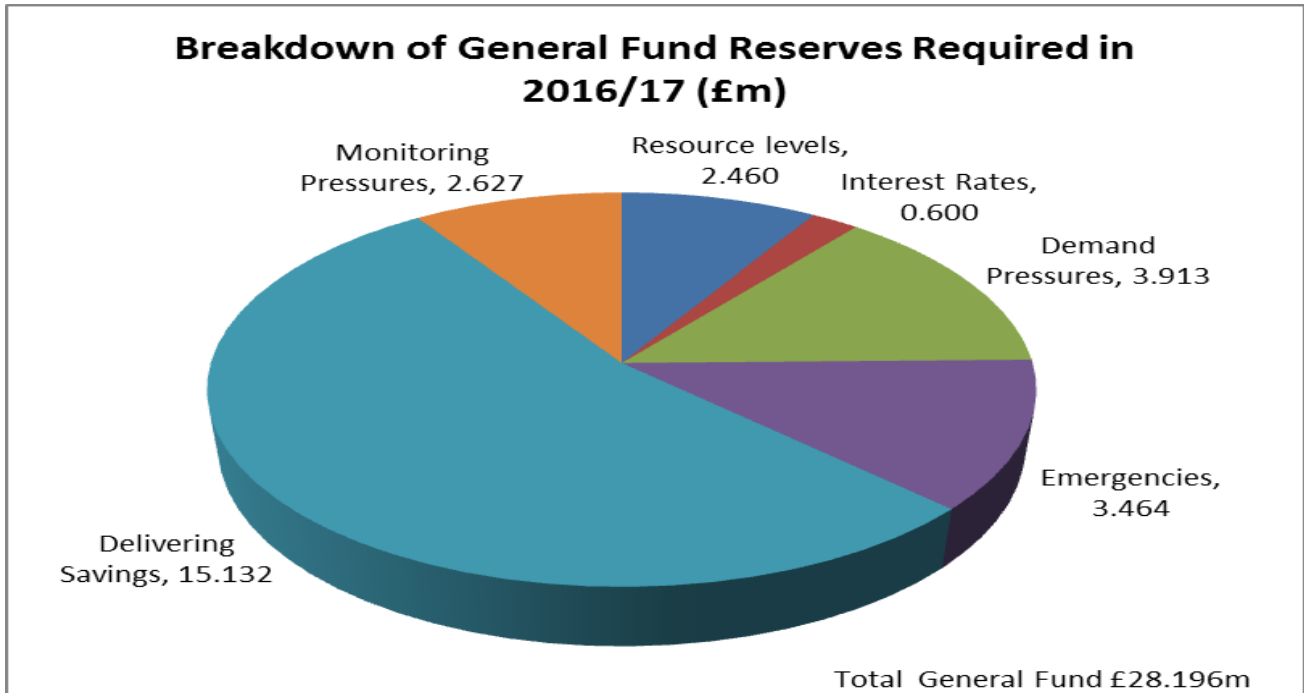
Table 3: Comparison of Risk Based Calculation to Projected General Fund

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Risk assessed level of General Fund Balance	23,374	28,196	26,454	20,132
Projected level of General Fund Balance as per Financial Strategy	15,212	15,212	15,212	15,212

- 9.4 Whilst the projected General Fund Balance will be lower than the risk based target in 2015/16, as shown in the graph below, the risk based target reduces in 2018/19 to reduce the gap between the two figures. At this time, there is insufficient available funding to provide any additional contributions into the General Fund Balance to achieve the risk based target, and therefore this risk will need to be tolerated with mitigating actions as listed below.



- 9.5 The potential gap between the Risk Based Target and Projected General Fund balance will be closely monitored over the year and action will be considered and reported through to Cabinet if it becomes apparent that the projected balance is insufficient. Should the situation arise where a General Fund Balance at the risk based target is likely to be required, the Council will have to review commitments against other Earmarked Reserves such as the New Homes Bonus Reserve to de-commit funding where necessary to bridge the gap.
- 9.6 The risk based calculation shows a significant balance is required in 2016/17, which is mainly due to risk around the level of savings required in the budget strategy and the level of slippage and non-delivery that has been funded from one off balances. As shown in the graph below, the delivery of savings represents over half of the risk based level of General Fund Balance to be held. This has been the case for a number of years, but has been mitigated by the use of underspends elsewhere, alternative proposals or one-off resources. This situation continues to dominate the risk assessment in 2016/17 and any need to utilise these balances would seriously diminish the Council's ability to fund other contingencies or similar pressures in future years. It is important to re-emphasise that this is a general reserve that we need to maintain as a Council for now and future years. It is not something that we should expect, nor plan, to actively access as part of our Financial Strategy.



9.7 Careful management and monitoring of the savings delivery is therefore required in order to ensure that Balances are maintained at an appropriate level to meet any contingencies or other demand pressures over the period of the Financial Strategy.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
Cabinet Member (Portfolio Holder) Malcolm Pate - Leader
Local Member All
Appendices Appendix 1: Analysis of Budget Assumptions and Financial Risks, including the Council's Financial Management Arrangements and Appropriate Mitigation Appendix 2: Risk Based Calculation of General Fund Balances Appendix 3: Earmarked Reserves

Analysis of Budget Assumptions and Financial Risks, including the Council's Financial Management Arrangements and Appropriate Mitigation

Budget Assumption	Explanation of Risk	Financial Standing and Management and Mitigating Action
1. The treatment of inflation	<p>There are two key issues in relation to inflation.</p> <ul style="list-style-type: none"> • There may be some items of expenditure – fuel or energy costs for example - where any estimate of inflation is a 'best guess'. The risk assessment puts a figure to the higher level of inflation that would seem to be unreasonable to include in a budget, but might come to pass. • Information is less accurate for years 2 and 3; the risk assessment covers the higher range. <p>It is difficult to predict the direction that the wider economy will take and thus the level of inflation required.</p>	<p>Pay – 1% has been provided in the 2016/17 budget to reflect the pay award for staff with 1% thereafter. Funding has also been provided for increments due to be awarded for 2016/17 based on existing staffing levels.</p> <p>Pension contribution rates are anticipated to remain at the same level for the period of the MTFP, however inflation has been provided for the lump sum element of the pension contribution.</p> <p>Price inflation has been provided on contractually or quasi-contractually committed budgets at the rate stated in the relevant agreement.</p>
2. Interest rates on borrowing and investment	<p>This issue here are similar to those in 1 above, but for a specific area.</p> <p>The Council's policy of generating capital receipts to prevent new borrowing, and allowing existing borrowing to mature has resulted in a reduction in available cash balances to invest. The level of interest rates on investments has also dropped to record lows resulting in reduced returns on cash balances. In the past it was possible for the Council to lend money and get a better interest rate than it was paying for borrowed money.</p> <p>The Council's borrowing has been undertaken at fixed rates of interest and so the level of interest payable is not considered as a risk to variable rates. However if borrowing should be required, there is a potential risk that any new borrowing may not be secured at similar interest rates to those currently budgeted for.</p>	<p>Interest receivable budgets have been set based on 2015/16 profile of the interest gained on cash balances held. These range from investments for 12 months gaining 2% to short term call accounts which gain only 0.25%.</p> <p>The average interest rate of the total debt portfolio (excl. HRA) is calculated at 5.32% for 2016/17 and this is used for all borrowing costs.</p>
3. Estimates of the level and timing of capital receipts.	<p>The Council has developed an asset management strategy and has a policy of reducing borrowing costs around the capital programme where possible. Therefore the capital programme is dependent on the delivery of capital receipts. The planned receipts estimated to the Council are made more difficult due to reducing market values and problems for potential procurers in obtaining finance.</p>	<p>Capital receipts are monitored monthly in the capital monitoring report and are RAG rated in terms of their anticipated delivery against target.</p>

Budget Assumption	Explanation of Risk	Financial Standing and Management and Mitigating Action
4. The treatment of demand led pressures	<p>There are long standing areas of risk due to volatility, where we budget for demographic changes in future years, but might find the actual is at the higher end resulting in a shortfall, particularly in the short term.</p> <p>Two areas specifically affected by demography are adult social care and children's social care, where we have seen significant budget pressures due to increasing numbers of clients receiving care packages.</p>	<p>Managers review their base budgets including demand led pressures. Services are expected to put forward management and policy actions to manage the additional demand within the relevant legislation either within the relevant budget or reprioritising within their Service budgets. If this is not possible and under-spending management action or policy actions in other Services are not sufficient to cover the additional demand, then reserves may have to be used to address the additional expenditure temporarily.</p> <p>Such an eventuality has been considered in future years' budgets and it is assumed that general fund reserves are restored to an appropriate prudent level over the course of the MTFP.</p> <p>The 2016/17 budget has been based upon specific demand levels identified during budget monitoring in 2015/16 and projections made by Heads of Service of demand levels in future years.</p>
5. The treatment of efficiency savings	<p>The budget includes improvement programmes that will deliver savings; the risk is that they may be delivered at a slower rate.</p> <p>This includes total savings targets of £41m over the three year period projected in the MTFFS which will have risks involved in terms of delivery, and also the delays in delivery.</p>	<p>All Managers have a responsibility to ensure the efficient delivery of services and when efficiency savings are proposed that those savings are both realistic in terms of the level of savings and timing.</p> <p>Should the level and timing of such savings vary due to unforeseen events and under-spending, management action or policy actions within the relevant Service Area and corporately will be implemented where appropriate. Alternatively the General Fund Balance will be utilised as a temporary funding mechanism until the full savings are achieved.</p>
6. The financial risks inherent in any significant new funding partnerships, major outsourcing deals or major capital developments	<p>The Council has set up a wholly owned company which it plans to be a vehicle for greater service delivery in the future. Other delivery vehicles will also be considered by service areas. Full business cases are required for any services being considered for transfer to an alternative service vehicle.</p>	<p>The sharing of risk is in accordance with the principle of the risks being borne by the party best placed to manage that risk. Inherent risks include any guarantee or variation of service throughput (service volumes). If risks materialise the expectation is that such an eventuality will be considered in future years' budgets.</p> <p>Business cases for any new delivery vehicles will fully investigate any financial risks that the Council may face in the future and the MTFFS updated accordingly.</p>

Budget Assumption	Explanation of Risk	Financial Standing and Management and Mitigating Action
7. The availability of other funds to deal with major contingencies	<p>Were a disaster to occur, we have to have a reserve in place to pick up costs that will fall to the Council.</p> <p>The impact of flooding within the Council area based on present experience is that it is limited to localised pockets.</p> <p>The geographical area covered by the Council has resulted in budget pressures in some years due to extreme weather conditions and additional costs such as snow clearance. Changes to the base budget provision has been made in previous years to help mitigate this, but overspends in previous years have, at times, been in excess of this growth level. In more recent years it has not been necessary to utilise all available funding, but a risk remains.</p> <p>Other disasters such as those relating to ICT could occur on a one off basis.</p>	<p>The level of reserves assumes that management and policy actions will be taken to address major contingencies. Should these be insufficient, the general fund balance may have to be used.</p> <p>An earmarked reserve has been established for Severe Weather however any pressure not covered by this reserve would need to be funded from the general fund balance. A risk based approach in calculating the general fund balance takes into consideration the types of incidents and costs associated and this is reviewed annually.</p> <p>The Council's insurance arrangements are a balance between external insurance premiums and internal funds to "self-insure" some areas. Premiums and self-funds are reactive to external perceptions of the risks faced by the Council which includes both risks that are generic to all organisations and those specific to the authority. Therefore the values of Insurance Reserves are reviewed each year to ensure that the optimum balance is held based on the level of outstanding liabilities.</p> <p>Any major incident or emergency may result in significant costs to the Council. Depending on the incident concerned, the Council may be able to recover such costs through the Bellwin Scheme however the Council would need to cover any expenditure up to the agreed threshold level. This level is fully included within the Council's general fund balance.</p>
8. Impact on council funding of announcements of national changes	<p>Council funding is always subject to change, especially in the current economic climate. However the Business and Financial Strategy takes account of projected changes in the Revenue Support Grant and specific government grants.</p>	<p>The major risk factor included is in relation to the Housing Benefits grants which the Council receives. Changes are planned for welfare benefits which may increase the Council's exposure to costs over and above the grant that is received. This has been factored into the General Fund risk based calculation.</p>
9. The overall financial standing of the authority (level of, debt outstanding, council tax collection rates etc)	<p>Changes may mean doing things in a way for which we have no ready evidence and any assumptions made may be wrong. Additionally, the areas of change will alter over time.</p> <p>An allowance for budget pressures has been built in to accommodate any</p>	<p>The level of aged debt within the sundry debtors figure is monitored reported to Directors on a monthly basis so that the appropriate action may be taken. Bad debt provisions are maintained to protect the budget against any such pressures, but should these not be sufficient, the general fund would be used.</p>

Budget Assumption	Explanation of Risk	Financial Standing and Management and Mitigating Action																					
	<p>corrective action that needs to be taken if the assumptions about changes in service delivery should change.</p> <p>In the current economic downturn the risk of collecting all income due to the Council is enhanced, which includes all sundry debt, and charges relating to Council Tax and Business Rates. Any such pressure identified should be evaluated and provided for.</p> <p>Income from fees and charges is also vulnerable to change based on the current economic climate. This is likely to continue and is adjusted for within the Financial Strategy, but is subject to short term negative variations from year to year.</p>	<p>The assumed Council Tax collection rate for 2016/17 onwards is 98% and is judged to be achievable based on previous experience. Legislation states that any Collection Fund surplus/deficit be corrected through the Council Tax in the next year. The surplus is distributed in 2016/17.</p> <p>An income review is produced for Cabinet covering income from fees and charges. This review considers the level of income as monitored in the quarterly revenue monitors to Cabinet, and considers the impact of increases in charges, or the freezing of charges on the 2016/17 budget.</p>																					
<p>10. The authority's track record in budget and financial management.</p>	<p>Any overspend realised in a financial year would result in the use of the general fund balance. The Council has identified that general fund balances need to be in place in order to protect the Council against specific financial risks, and so any general overspend due to weaknesses in budget management, undermine any planned action being taken on the General Fund Balance.</p> <p>Financial management needs to be considered across all service areas of the Council. If a particular service area is unable to manage a particular overspend pressure, this may present a need to use general fund balance in the current financial year. Also this may have implications on future level of balances if no action is taken to reduce the spending pressure for the service area in future years or offset by compensating savings.</p>	<p>The Council's recent track record in budget and financial management 2011 to 2016 shows potential variations from a £0.4m overspend to a £2.7m underspend (a range of £3m).</p> <table border="1" data-bbox="1003 934 1479 1318"> <thead> <tr> <th>Financial Year</th> <th>(£'000)</th> <th>Underspend/ Overspend</th> </tr> </thead> <tbody> <tr> <td>2011/12</td> <td>(2,709)</td> <td>Under</td> </tr> <tr> <td>2012/13</td> <td>284</td> <td>Over</td> </tr> <tr> <td>2013/14</td> <td>(390)</td> <td>Under</td> </tr> <tr> <td>2014/15</td> <td>(300)</td> <td>Under</td> </tr> <tr> <td>2015/16*</td> <td>403</td> <td>Over</td> </tr> <tr> <td>Total 2011 to 2014</td> <td></td> <td>Under</td> </tr> </tbody> </table> <p>* As projected at Quarter 3 monitoring</p> <p>This has been achieved by considerable management and policy actions to ensure spending is in line with the budget each year.</p> <p>Ultimately, financial performance relies on all budget holders actively managing their budgets and complying with financial regulations, including not committing expenditure if there is no budget provision available.</p> <p>The most recent three years outturn (estimated outturn for 2015/16) position suggests that variances do not exceed £0.4m</p> <p>The authority needs to continually improve its ability to manage in-year budget pressures. The following steps are already in place:</p>	Financial Year	(£'000)	Underspend/ Overspend	2011/12	(2,709)	Under	2012/13	284	Over	2013/14	(390)	Under	2014/15	(300)	Under	2015/16*	403	Over	Total 2011 to 2014		Under
Financial Year	(£'000)	Underspend/ Overspend																					
2011/12	(2,709)	Under																					
2012/13	284	Over																					
2013/14	(390)	Under																					
2014/15	(300)	Under																					
2015/16*	403	Over																					
Total 2011 to 2014		Under																					

Appendix 1

Budget Assumption	Explanation of Risk	Financial Standing and Management and Mitigating Action
		<ul style="list-style-type: none"> • Accuracy of projections has been improved over the year, but further work is required, particularly in light of redesign work being undertaken. • The monitoring system continues to be improved in terms of accuracy, the frequency of reporting and the challenge process. <p>Collaborative Planning budget monitoring tool is now used within the Council to improve the financial information provided and the consistency of financial reports produced.</p> <p>The Council's virement and carry forward rules are clear and detailed in the Constitution.</p>

APPENDIX 2

Risk Based Calculation of General Fund Balances

2015/16			AREA OF RISK	2016/17			2017/18			2018/19		
Budget £000	Risk Level	Value £000		Budget £000	Risk Level	Value £000	Budget £000	Risk Level	Value £000	Budget £000	Risk Level	Value £000
			Inflation									
89,009	0.25%	223	Salaries	85,671	0.25%	214	83,889	0.25%	210	82,731	0.25%	207
23,646	2.00%	473	Premises	22,759	2.00%	455	22,286	2.00%	446	21,978	2.00%	440
26,809	1.00%	268	Transport	25,803	1.00%	258	25,267	1.00%	253	24,918	1.00%	249
51,862	0.25%	130	Supplies & Services	49,917	0.25%	125	48,879	0.25%	122	48,204	0.25%	121
150,844	0.25%	377	Third Party Payments	145,188	0.25%	363	142,168	0.25%	355	140,206	0.25%	351
78,453	0.25%	196	Transfer Payments	75,511	0.25%	189	73,940	0.25%	185	72,920	0.25%	182
420,622		1,666		404,848		1,604	396,428		1,571	390,957		1,549
			Interest Rates									
254,418	0.00%	0	Borrowing	245,618	0.00%	0	240,618	0.00%	0	234,218	0.00%	0
5,000	1.00%	50	PWLB	5,000	1.00%	50	6,400	1.00%	64	6,000	1.00%	60
110,073	0.50%	550	Investment	110,073	0.50%	550	110,073	0.50%	550	110,073	0.50%	550
		600				600			614		610	
			Capital Receipts									
-8,554	0.00%	0	Land Sales	-8,554	0.00%	0	13,426	5.00%	671	2,400	5.00%	120
		0				0			671		120	
			Demand led Pressures									
63,113	6.32%	3,991	Adult Social Care	83,147	3.16%	2,627	93,056	3.16%	2,941	103,332	3.16%	3,265
14,349	5.88%	843	Childrens Social Care	15,287	2.94%	449	15,451	2.94%	454	15,667	2.94%	461
517	161.75%	836	IT Licensing	517	161.75%	836	517	161.75%	836	517	161.75%	836
		5,670				3,913			4,231		4,562	
			Efficiency Savings									
20,615	35.35%	7,287	15/16 non achievement of savings	20,615	0.00%	0	20,615	0.00%	0	20,135	0.00%	0
20,615	12.98%	2,676	15/16 slippage of savings	20,615	0.00%	0	20,615	0.00%	0	20,135	0.00%	0
0	0.00%	0	16/17 non achievement of savings	31,526	35.00%	11,034	31,526	0.00%	0	31,526	0.00%	0
0	0.00%	0	16/17 slippage of savings	31,526	13.00%	4,098	31,526	0.00%	0	31,526	0.00%	0
0	0.00%	0	17/18 non achievement of savings	0	0.00%	0	25,800	35.00%	9,030	25,800	0.00%	0
0	0.00%	0	17/18 slippage of savings	0	0.00%	0	25,800	13.00%	3,354	25,800	0.00%	0
0	0.00%	0	18/19 non achievement of savings	0	0.00%	0	0	5.00%	0	13,047	35.00%	4,566
0	0.00%	0	18/19 slippage of savings	0	0.00%	0	0	10.00%	0	13,047	13.00%	1,696
		9,963				15,132			12,384		6,263	
			Partnerships, Outsourcing arrangements									
90	Quantum	90	IP&E	-	Quantum	0	0	Quantum	0	0	Quantum	0
		90				0			0		0	
			Insurance and Emergency Planning									
3,595	0.00%	-	Provision	3,651	24.00%	876	3,651	24.00%	876	3,651	24.00%	876
3,002	0.00%	-	Reserve	3,040	24.00%	730	3,040	24.00%	730	3,040	24.00%	730
500	Quantum	500	ICT Disaster	500	Quantum	500	500	Quantum	500	500	Quantum	500
500	Quantum	500	Other Incident	500	Quantum	500	500	Quantum	500	500	Quantum	500
458	Quantum	458	Bellwin	458	Quantum	458	458	Quantum	458	458	Quantum	458
2,495	10.00%	250	Severe Weather	2,000	20.00%	400	2,000	20.00%	400	2,000	20.00%	400
		1,708				3,464			3,464		3,464	
			Funding Changes									
69,257	0.25%	173	Housing Benefits	69,257	0.25%	173	69,257	0.25%	173	69,257	0.25%	173
758	Quantum	758	Academy School transfer leaving deficit budget	1,100	50.00%	550	1,100	50.00%	550	1,100	50.00%	550
		931				723			723		723	
			General Financial Climate									
7,341	5.00%	367	Debt Collection	7,341	5.00%	367	7,341	5.00%	367	7,341	5.00%	367
119,281	0.50%	596	Council Tax	127,069	0.50%	635	133,196	0.50%	666	139,619	0.50%	698
39,166	1.00%	392	Business Rates	40,269	1.00%	403	41,403	1.00%	414	42,569	1.00%	426
15,570	2.00%	311	Discretionary Income	16,573	2.00%	331	16,573	2.00%	331	16,573	2.00%	331
		1,667				1,737			1,779		1,822	
215,843	0.50%	1,079	Additional Budget Pressures	204,527	0.50%	1,023	203,410	0.50%	1,017	203,704	0.50%	1,019
		1,079				1,023			1,017		1,019	
		23,374	TOTAL			28,196			26,454		20,132	

Earmarked Reserves

Reserves	Purpose of Balance	Balance as at 31 March 2015	Anticipated movement in 2015/16	Projected Balance as at 31 March 2016
		(£'000)	(£'000)	(£'000)
Sums set aside for major schemes, such as capital developments, or to fund major reorganisations				
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.	10,603	-2,419	8,184
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.	1,027	-453	574
Transformation	Required to fund invest to save projects in order to deliver the service transformation programme.	6,053	-1,299	4,754
University	Required to meet the revenue costs arising from the setup of the university project and student accommodation development.	1,810	-1,209	601
		19,493	-5,380	14,113
Insurance Reserves				
Fire Liability	Required to meet the cost of excesses on all council properties.	2,135	-500	1,635
Motor Insurance	An internally operated self-insurance reserve to meet costs not covered by the Council's Motor Insurance Policy.	867	0	867
		3,002	-500	2,502
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.	300	0	300
		300	0	300
Reserves retained for service departmental use				
Care Act 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.	1,316	-1,316	0
Economic Development Workshops Major Maintenance	Established to meet the costs of major maintenance of Economic Development Workshops.	385	-5	380
Financial Strategy Reserve	Established specifically to provide one off funding for savings proposals in the Financial Strategy	0	9,805	9,805
Highways Development & Innovation Fund	Set aside funds for pump priming the Development and Innovation programme agreed within the Ringway Contract.	437	80	517
Major Planning Inquiries	Required to meet the one-off costs of major planning inquiries, and is a corporate reserve.	592	-310	282
New Homes Bonus	Established from unapplied New Homes Bonus Grant balances.	4,676	-2,211	2,465
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.	4	-4	0

APPENDIX 3

Reserves	Purpose of Balance	Balance as at 31 March 2015	Anticipated movement in 2015/16	Projected Balance as at 31 March 2016
		(£'000)	(£'000)	(£'000)
Planning Reserve	Set aside funds for investment in planning application processes.	1,285	0	1,285
Public Health Reserve	This reserve includes balances committed and ringfenced to specific public health projects.	2,712	-2,020	692
Repairs & Maintenance Reserve	Set aside for known repairs and maintenance required to Council owned properties.	1,350	-625	725
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.	5,405	-2,102	3,303
Revenue Commitments from Unringfenced Revenue Grants	Established from unapplied unringfenced revenue Grant balances.	4,064	-278	3,786
Severe Weather	Required to meet unbudgeted costs arising from the damage caused by severe weather. The policy of the Council is to budget for an average year's expenditure in the revenue accounts and transfer any underspend to the reserve or fund any overspend from the reserve.	2,839	-500	2,339
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.	602	-213	389
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.	29	-4	25
TMO Vehicle Replacement	Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.	643	0	643
		26,339	298	26,637
School Balances				
Balances held by schools under a scheme of delegation	Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion.	3,957	0	3,957
Education – Staff Sickness Insurance	Schools' self help insurance for staff sickness with premiums met from delegated budgets.	162	0	162
Education – Theft Insurance	Schools' self help insurance scheme to cover equipment damage and losses.	96	0	96
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.	1,677	484	2,161
		5,892	484	6,376
Total Reserves		55,026	-5,098	49,928



Committee and date

Cabinet

17 February 2016

REVIEW OF IP&E LIMITED

NOT FOR PUBLICATION BY VIRTUE OF CATEGORY 3 OF PARAGRAPH 10.4 OF THE COUNCIL'S ACCESS TO INFORMATION PROCEDURE RULES

Responsible Officer Clive Wright

Email: clive.wright@shropshire.gov.uk

Tel: (01743) 252007

1. Summary

- 1.1 The Council has commissioned a review of ip&e limited led by Council officers to determine whether the company has achieved its objectives as a wholly owned separate trading entity and to assess whether business activities, commercial practice and income generation can be more efficiently and effectively achieved within the Council or another entity.
- 1.2 This report summarises the performance of the company to date and makes recommendations in respect of its staff and its business activities.
- 1.3 The Council has also undertaken an internal audit health check to evaluate the adequacy of controls associated with finance, legal and contracts which have been managed independently by the company to date. The findings from the health check help to inform the recommendations below.
- 1.4 Decisions that are taken in respect of ip&e limited and its business activities must ensure that the Council's interests as a shareholder and as a commissioner are protected and that future business and trading activities are aligned with the requirements of the Council's sustainable business model and financial strategy.
- 1.5 Decisions taken in respect of ip&e limited must also ensure that the company's interests are safeguarded in relation to any liabilities arising from a decision to cease trading.

2. Recommendations

- 2.1 That Cabinet: (Commissioner role)
 - 2.1.1 agrees to bring the Council's relationship with ip&e Limited to an end and terminate the Strategic Contract between the two parties with the aim that the company will, in due course, cease to operate;
 - 2.1.2 agrees to terminate the service contracts between the Council and ip&e Limited for the provision of 'Business Design and Programme Management', 'Public Relations and Marketing' and 'Public Health' with effect from 31st March 2016, and delegates

authority to the Chief Executive to agree any alternative termination date as required to allow for the proper transfer of staff and maintain service delivery;

- 2.1.3 notes that the current provisional arrangements for the delivery by ip&e Limited of 'Business Support and Regulatory Services' and 'Education Support Services' will not be developed into longer term arrangements and revert to delivery by the Council at the end of the existing contract periods, and delegates authority to the Chief Executive to agree any alternative service end date as required to allow for the proper transfer of staff and maintain service delivery;
- 2.1.4 agrees that existing secondment arrangements for the Council staff involved in providing the services in recommendation 2 and 3 are brought to an end on a date consistent with the transfer of service delivery to the Council, and that staff employed by ip&e Limited who are employed in the delivery of the services in recommendation 2 and 3 are transferred to the Council in accordance with the TUPE process upon ip&e Limited ceasing to provide the relevant services;
- 2.1.5 delegate authority to the Chief Executive to arrange for the transfer from ip&e Limited to the Council of any contracts to provide services to third parties where i) the Council is legally able to provide those services; ii) transfer of delivery to the Council is permissible; and iii) it is in the interests of the Council to do so;
- 2.1.6 delegate authority to the Chief Executive to take any additional steps necessary to achieve the objectives stated in recommendations 1 to 5 above.

That Cabinet: (Shareholder role)

- 2.1.7 agrees, as sole Shareholder, to pass a Special Resolution under Article 5.1 of the company's Articles of Association, to direct the Directors of ip&e Limited to cease trading and operation of the company [as soon as possible], whilst limiting, as far as possible, the company's liabilities and safeguarding the services to transfer back to the Council;
- 2.1.8 agrees as sole Shareholder, to delegate its power as Shareholder to the Chief Executive to pass any further Special Resolutions under Article 5.1 of the company's Articles of Association, to direct the Directors of ip&e Limited to take or refrain from taking any action (but which shall not require any Director to act in breach of their legal duties) necessary to achieve the objectives set out in Recommendation 7 and once complete to remove the company off the companies register;
- 2.1.9 agrees, as sole Shareholder of ip&e (Trading) Limited, to pass a Special Resolution under Article 4.1 of the company's Articles of Association, to direct the Directors of ip&e (Trading) Limited to take the necessary steps to remove the company from the companies register.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 Human Rights: No adverse impact is expected from the decision to dissolve the company and return services and staff under the management and control of Shropshire Council.
- 3.2 Financial: Reduced levels of Government funding, the need to reduce operational costs and to generate additional income means that the Council must find a more efficient and effective way of delivering services to sustain services. The review of ip&e limited and commercial activities supports this approach.

- 3.3 Equalities: No one with characteristics defined and protected under the Equality Act shall be adversely affected by a decision to dissolve the company and manage services and staff within the Council or alternative vehicles.
- 3.4 Community: There will be no adverse impact on local communities following any decision to dissolve ip&e limited. Services and staff employed in its business activities will where seconded or transferred under TUPE return to work for the Council or alternative vehicle where the business undertaking remains wholly or substantially the same.
- 3.5 Environment: No adverse impact on the environment is expected.
- 3.6 Consultation: There are no consultation requirements specified in the strategic contract between the Council and ip&e limited. Consultation with staff, customers, partners and suppliers will be required.

4. Financial Implications

- 4.1 Officers have not included any ip&e limited profit assumptions, dividend payments or contribution to savings, beyond those associated with contract savings, in the Council's finance strategy (2016/17 to 2018/19).
- 4.2 The budgets and contract payments for the businesses operating within ip&e limited include reductions which are reflected in the Council's finance strategy. Any costs associated with dissolving the company and returning services and staff under the Council's control will be met by the company. The company will ensure that adequate provision is made for these costs and any other residual liabilities in the company's accounts.
- 4.3 The company's profit/ loss for the last three financial years (excluding actuarial loss on pension liability) has been:

Financial year	Profit/ (Loss)
2012/13 (part)	(£69,802)
2013/14	(£114,701)
2014/15	£28,029

- 4.4 The company's forecast surplus for financial year ending 31 March 2016 is £83,000. However this relates to surplus funds not spent or committed on Council awarded contracts and does not represent profit achieved through external trading. This does not include an estimate for costs associated with ceasing or transferring existing contracts to the Council and/ or redundancy costs for staff directly employed by the company who do not deliver services back to the Council.
- 4.5 The Council has a loan facility of £500,000 available, of which £92,000 has currently been drawn down by ip&e. The current terms of the loan are that the principal and accrued interest are due to be repaid in full by 31 March 2016, and this has been factored into the profit assumption listed in 4.4 above.
- 4.6 ip&e has delivered budgetary savings of £115,445 on the Council's contract for the Marketing and Public Relation team and £229,210 on the contract for the business design and programme management team. This represents a 35% reduction on the two contract values. This has made a small contribution towards the £85.6m of

savings achieved by the Council in the last three financial years, and in comparison the Council has achieved a 39% saving on its base budget over the same period.

- 4.7 The Council's Financial Strategy has at no point assumed any profit would be delivered from ip&e Limited. It has been necessary, however, to manage a series of costs resulting directly from decisions made by the company. These include the decision to not buy back certain support services from the Council, to delay contract reductions and to not locate the company office within existing Council property. This has resulted in an estimated direct cost to the Council, since inception, of approximately £190,000.

5. Background

- 5.1 ip&e limited was incorporated as a company, wholly owned by Shropshire Council on 31 May 2012. The principal objectives of the company was to secure and create jobs, create new business and partnerships, increase levels of trading income, reduce operating costs and achieve profit from commercial activities which help to fund and sustain Council services. The company's financial performance in terms of profit and loss is set out in paragraph 4.3.
- 5.2 The company's turnover was £305,945 in 2013/14 when it had a single business unit being public relations and marketing. This rose to £1,162,402 in 2014/15 when business design and programme management was added to the company's portfolio. Turnover for 2015/16 is estimated to be £14m as at 31 March 2016 following the addition of education support services, public health services and business support and regulatory services in the summer of 2015.
- 5.3 98.7% of the company's turnover in financial year 2015/16 relates to Shropshire Council contract income which includes schools trading income. The company holds external income contracts to the value of £187,710 in financial year 2015/16. Table 1 below analyses whether this contract income was secured prior to transfer to ip&e or afterwards.

Table 1 – external contracts in financial year 2015/16

	Awarded pre ip&e limited	Awarded post ip&e limited
Business Support & Regulatory Services	£0	£20,525
Marketing and Public Relations	£35,400	£0
Business design and programme management	£0	£47,750
Public Health	£30,000	£54,035
Totals	£65,400	£122,310

- 5.4 The company's central costs are estimated to be £613,937 in financial year 2015/16 associated with staff not attributable to Council contracts, rent of non Council buildings, software licenses, audit and accountancy fees, insurances and a pension liability charge estimated to be £130,667. Therefore external income, having taken into account cost of sales on generating this income, is contributing 6% towards overheads. This leaves a net overhead cost to both ip&e limited and Shropshire Council of 94%. This also means that the prices of services to be traded commercially have a high gearing impact where the charge out rates, sometimes as low as £300 per day, are set too low to cover these overheads and generate profit.
- 5.5 Additional opportunity costs have also been incurred by the Council in supporting the arrangements put in place for managing the ip&e contract. Significant officer time has been spent to develop business cases and proposals for transfer to ip&e, in addition to new processes implemented and required across the Council in ensuring compliance with the strategic and business contracts.
- 5.6 The company current employs 284.4 FTE staff on secondment from the Council. The company directly employs 18.25 FTE. Table 2 below analyses the business units who the staff work for, their employment status and the term of their contract with ip&e limited. The proposal to directly employ certain business and regulatory services staff in ip&e limited to undertake regulatory work and also business advisory work requires a joint employment contract agreement with the Council. This would require negotiation and consultation with staff and unions. Joint employment arrangement adds complexity to the employment relationship and adds a significant administrative burden to the day to day operation of the business. It is felt that the risk and costs associated with the joint employment approach outweighs the external trading benefits which have been low to date.

Table 2 – ip&e staff analysis

	FTE	Status	Current Contract end date
Business Support & Regulatory Services	200.0	Seconded	31/3/2016
Public Health	15.0	Seconded	31/3/2018
Inspire to Learn	66.5	Seconded	31/3/2016
Design and Programme Management	8.6	TUPE	31/3/2017
Marketing and Public Relations	8.0	TUPE	31/3/2017
Central staffing	1.65	Directly employed	N/A
Central staffing	2.90	Seconded	N/A

Totals	302.65		
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- 5.7 The recent financial health check of the company has identified that certain significant improvements are required in internal controls associated with financial management, IT systems and contracting policies and procedures and governance. The new company board has acted swiftly to ensure that appropriate controls and delegations are in place to address these weaknesses. However, it is unlikely that these control weaknesses would have occurred in the Council.
- 5.8 An internal review of ip&e business activities has been undertaken by officers to determine whether the respective business units are on course to deliver their objectives and to determine their prospects for growth. Each of the business leads considered the opportunities for growth in terms of turnover and profit should they remain within ip&e limited and compare this with a transfer back to the Council or into a separate trading vehicle (not ip&e limited).
- 5.9 This review concluded that the prospects for growth and profit, having discounted the £613,937 overhead associated with ip&e limited, were stronger in the Council using existing powers to charge and trade for services without significant risk of loss of existing business and contracts. The Council is able to trade to other public sector bodies by agreement and can recover costs associated with supplying goods and services to private sector bodies. The external contracts that are held by ip&e limited can, subject to agreement with the contracting parties, novate to the Council.
- 5.10 Officers have concluded that existing powers can be used to raise income via charging and trading whilst operating within the Council and that this income can be used to contribute towards the costs of running and protecting Council services. It should be noted that the Council currently operates commercial activities which are independent of ip&e limited.
- 5.11 Officers have also concluded that commercial activity can be successfully grown and delivered where the following conditions exist:
- i. A stronger commercial culture must be developed within the Council. It is recognised that staff are starting to think and behave in this way however this requires further training and development for staff;
 - ii. All commercial activity should be underpinned by a transparent and consistent approach to pricing for work whether on a cost recovery or commercial/ profit basis along with a clear understanding of market value;
 - iii. That the Council adopts a better and more transparent and consistent approach in terms of accounting for trading activity that allows sales and profit targets to be set, trading income and costs to be correctly accounted for and performance monitored and reported to senior management and Elected Members on a regular basis. This requires changes to existing financial reporting methods to ensure a more commercial approach is adopted and consistently for all aspects of trading activity.
 - iv. That trading performance is reported and compared consistently and regularly to inform the Council's financial and commercial strategy.

- 5.12 In summary officers have concluded that trading activities currently performed within ip&e limited can be transferred back to the Council and continue without detriment to the principal business objectives. These are to raise income to sustain and protect Council services and to continue to employ staff who will be trained and developed to apply a more commercial focus to their work.
- 5.13 It is therefore recommended that the Council's relationship with ip&e limited is brought to an end on the basis of poor financial and trading performance. It is recognised that time is required to limit, as far as possible, the company's liabilities and to safeguard the transfer of staff and services to back to the Council.
- 5.14 It is further recommended that the Council's shareholding in ip&e trading limited, which has remained as a dormant company since incorporation, is brought to an end.

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

Key Decision: No

Included within Forward Plan: Yes

If a Key Decision and not included in the Forward Plan have the General Exception or Special Urgency Procedures been complied with: Yes/No

Name and Portfolio of Executive Member responsible for this area of responsibility:

Councillor Malcolm Pate – Leader of the Council

Councillor Tim Barker – Deputy portfolio holder (ip&e limited)

Local Member:

All

Appendices:

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