



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

Date: Tuesday, 3 January 2023

**Committee:**  
**Performance Management Scrutiny Committee**

**Date: Wednesday, 11 January 2023**  
**Time: 10.00 am**  
**Venue: Council Chamber, Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND**

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

There will be some access to the meeting room for members of the press and public, but this will be limited. If you wish to attend the meeting please email [democracy@shropshire.gov.uk](mailto:democracy@shropshire.gov.uk) to check that a seat will be available for you.

Please click [here](#) to view the livestream of the meeting on the date and time stated on the agenda

The recording of the event will also be made available shortly after the meeting on the Shropshire Council Youtube Channel [Here](#)

Tim Collard  
Assistant Director - Legal and Governance

**Members of Performance Management Scrutiny Committee**

|                              |               |
|------------------------------|---------------|
| Claire Wild (Chairman)       | Robert Macey  |
| Joyce Barrow (Vice Chairman) | Alan Mosley   |
| Julia Buckley                | Peggy Mullock |
| Steve Charmley               | David Vasmer  |
| Roger Evans                  |               |

Your Committee Officer is:

**Amanda Holyoak** Committee Officer  
Tel: 01743 257714  
Email: [amanda.holyoak@shropshire.gov.uk](mailto:amanda.holyoak@shropshire.gov.uk)

# AGENDA

## 1 Apologies for Absence and Substitutions

## 2 Disclosable Pecuniary Interests

Members are reminded that they must declare their disclosable pecuniary interests and other registrable or non-registrable interests in any matter being considered at the meeting as set out in Appendix B of the Members' Code of Conduct and consider if they should leave the room prior to the item being considered. Further advice can be sought from the Monitoring Officer in advance of the meeting.

## 3 Minutes of the meeting held on 30 November 2022 (Pages 1 - 4)

To consider the Minutes of the Performance Management Scrutiny Committee meeting held on 30 November 2022, attached

## 4 Public Question Time

To receive any questions from members of the public, notice of which has been given in accordance with Procedure Rule 14. Deadline for notification is not later than 5.00 pm on Thursday 5 January 2023

## 5 Member Question Time

To receive any questions of which members of the Council have given notice. Deadline for notification for this meeting is 5.00 pm on Thursday 5 January.

## 6 Alternative Budget Proposals 2023/24 (Pages 5 - 42)

To consider alternative budget proposals 2023/24, **to follow**

Attached: Financial Strategy Mid-Year Review Report considered at Cabinet on 14 December 2022

## 7 Work Programme (Pages 43 - 44)

To consider the Committee's work programme and agree establishment and terms of reference for a Task and Finish Group on Bullying and Harassment, attached

**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 10.4 [3] of the Council's Access to Information Rules, the press and public be excluded from the meeting during consideration of the following items

**9 Call In - Acton Scott Historic Working Farm (Pages 45 - 46)**

A decision of Cabinet made on 14 December 2022 with regard to Acton Scott Historic Working Farm has been called in.

The Performance Management Scrutiny Committee is asked to consider the decision taken. The details of the call in are attached and a response to this will follow.

**10 Date of Next Meeting**

Wednesday 1 March 2023 at 10.00 am

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## SHOPSHIRE COUNCIL

### PERFORMANCE MANAGEMENT SCRUTINY COMMITTEE

**Minutes of the meeting held on 30 November 2022**

**2.00 pm in the Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND**

**Responsible Officer:** Amanda Holyoak

Email: amanda.holyoak@shropshire.gov.uk

Tel: 01743 257714

#### **Present**

Councillor Claire Wild (Chairman)

Councillors Joyce Barrow (Vice Chairman), Julia Buckley, Steve Charmley, Roger Evans, Vince, Hunt, Peggy Mullock and David Vasmer

#### **10 Apologies for Absence and Substitutions**

Apologies had been received from Councillor Robert Macey (substituted by Councillor Vince Hunt).

#### **11 Disclosable Pecuniary Interests**

None declared.

#### **12 Minutes of the meetings held on 13 July 2022 and 14 September 2022**

Minutes of the meetings held on 13 July 2022 and 14 September 2022 were confirmed as a correct record.

#### **13 Public Question Time**

There were no public questions.

#### **14 Member Question Time**

There were no members questions.

#### **15 ICT & Digital Strategy Green Paper**

The Portfolio Holder for Culture and Digital presented the report which set out the principles of a 'Digital First' approach and the key considerations in adopting this approach.

It was acknowledged that a digital approach would not be suitable for all and therefore traditional methods were not being precluded as a potential delivery channel. Members expressed the importance of safeguarding the most vulnerable and retaining full access to the council if digital access was not available.

Concerns were raised regarding equality and security issues around the use of the Cloud. It was felt that an "equality" heading should be included in the report as per

other reports. Members were advised that back up systems were in place and that an audit reviews of the Cloud system were carried out.

The Executive Director of Resources acknowledged the concerns raised and advised that there would be a focus on improving the experience when using digital first to encourage more of those who are able to access it to use digital over traditional methods.

It was suggested that a member of the Connecting Shropshire team would be invited to a future meeting.

It was agreed that the following should be added to the considerations for a digital first approach:

1. There must be safeguards in place to protect the most vulnerable.
2. There needs to be a better uptake of broadband and improved phone coverage.
3. It is important that committee meetings continue to be held in public and that the democratic process is not eroded.

The recommendation proposed in the report to recommend to Council a Digital First approach to Council for delivering and commissioning services now and in the future was agreed.

## **16 Review of Charging Policy for Second Homes and Empty Properties Green Paper**

The Portfolio Holder for Finance and Corporate Resources presented the report which provided an overview of the powers Shropshire Council had with regards to increasing council tax on second homes and long term empty properties and the further charging options which could be implemented from 1 April 2024.

Members' attention was drawn to para 7.10 and the effects the council tax premium had on first time buyers. It was questioned whether there should be some leniency on the policy for first time buyers with a local connection if the property required work before it became habitable. It was noted that currently searches did not show whether the property was subject to the premium. Members expressed the importance of doing all they can to help first time buyers to bring properties back into use; however it was acknowledged that this would need further investigation. Members were advised that there was an appeals process, and that Shropshire Council are able to offer a discretionary discount under exceptional circumstances.

It was felt that it would be useful to understand how many properties are registered for business rates due to being holiday lets as they may be under threshold and therefore apply for business rate relief. It was acknowledged that this would require further resource to investigate.

Members expressed a desire to see as many empty properties brought back into residential use as possible.

A request was received for the number of appeals that are received, how many succeed or are refused and how many progress to a General Appeals Panel.

Concern was raised that first time buyers are not necessarily aware that an appeals process is available to them. It was asked that this information was included as part of the council tax bill.

A suggestion was received that there could be a six-month amnesty on charges which could incentivise people to take on empty properties before they are required to pay the premium, rather than be faced with a charge on a property that they did not know about.

It was agreed that the process for appeals and an exception process for first time buyers with a local connection be investigated, acknowledging and understanding any associated legalities.

## **17 Financial Monitoring 2022/23 Quarter 2**

The Portfolio Holder for Finance and Corporate Resources presented the report which estimated the Council's year end position based on information over the period 1st April 2022 to 30th September 2022. Members' attention was drawn to the ongoing issues with adults and children's social care but also inflationary pressures.

A request was made for data from other authorities on the ratio of direct employees to agency staff with a suggestion that an agreement/memorandum of understanding could be set up across neighbouring authorities to offer the same salary and terms and conditions. It was stated that a comparison may not be that simple due to differing pay scales, however West Midlands Employers were looking to rationalise this.

Concern was raised regarding the forecast for income from Shrewsbury shopping centres with talks of a recession on the horizon. Members were advised that the income target would be adjusted according to market pressures.

It was felt that this report should have been brought to scrutiny prior to Cabinet.

The Executive Director of Resources advised that they were looking at a more robust, long term solution to address the issues being faced.

Members noted the report.

## **18 Financial Strategy Mid Year Review**

The Portfolio Holder for Finance and Corporate Resources introduced the report which provided an update on Shropshire Council's financial outlook previously reported to Cabinet in July, setting out the current view of the next 5 years and the steps in place to secure financial sustainability.

Members queried "TOMs" (Target Operating Models). A briefing at Backbenchers was requested to help members understand what a TOM is and how they work.

Concern was raised with the amount of detail which was not available, when a decision will be taken at Cabinet in the next two weeks.

Members were reminded of the Financial Peer Review which had recently taken place. Members queried whether the action plan from this review had been published and were advised that this would be confirmed following the meeting. A follow up of the review would be taking place in March.

Members noted the report.

**19 Date/Time of next meeting of the Committee**

Members noted that the next meeting would take place on Wednesday 11 January 2023 at 10.00 am.

Signed ..... (Chairman)

Date: .....





Committee and Date

Cabinet  
14 December 2022

Item

Public

## Financial Strategy Mid-Year Review

**Responsible  
Officer**

James Walton

e-mail: james.walton@shropshire.gov.uk Tel: 01743 258915

### 1. Synopsis

This report addresses our key challenges – inflation and post-COVID service changes - and sets out the largest savings programme ever proposed by the Council. This programme is defined by our priorities, and these proposals will secure a sustainable financial position in the coming years and enable delivery of The Shropshire Plan.

### 2. Executive Summary

- 2.1. The Shropshire Plan (TSP) was approved by Council on 12 May 2022 setting the Council's Vision: Shropshire Living the Best Life, and four key priorities – to develop Healthy People, A Healthy Economy, a Healthy Environment and a Healthy Organisation. A commitment was made to ensure that the Council's resources would follow the outcomes set out within TSP, and within the priority to deliver a Healthy Organisation is the Strategic Objective:

*We will put our resources in the right place using accurate data, insights, and evidence to support the delivery of the organisation's priorities and balance the books*

- 2.2. The Council's Medium Term Financial Strategy is the key strategic document within TSP that defines how finances over the medium term will be allocated and aligned to the outcomes set within TSP.
- 2.3. The MTFs is therefore determined by TSP outcomes and priorities – the budget for next year has been led by our priorities, rather than the other way around.

2.4. The revenue funding gap is summarised in the table below, and supporting detail is provided in the Appendix. The table shows that, in next year (2023/24), the latest estimate of resources amount to £635m. However, estimated spending is currently projected to be £682m, resulting in a shortfall. Savings proposals, in addition to those previously identified, have therefore been prepared amounting to £45m. When fully delivered, and with no other changes, this will result in a remaining gap of £1.7m.

| REVENUE FUNDING GAP  | 2023/24             | 2024/25             | 2025/26            | 2026/27            | 2027/28            |
|--|---------------------|---------------------|--------------------|--------------------|--------------------|
|  | £                   | £                   | £                  | £                  | £                  |
| <b>Estimated Funding</b>                                   | <b>635,436,197</b>  | <b>646,756,460</b>  | <b>648,989,407</b> | <b>664,332,993</b> | <b>680,452,847</b> |
| Estimated Expenditure (excl savings plans)                 | 682,254,535         | 660,169,408         | 659,890,404        | 673,375,243        | 681,821,269        |
| <i>Savings plans</i>                                       | <i>(45,079,166)</i> | <i>(13,407,722)</i> | <i>(9,993,826)</i> | <i>(3,834,872)</i> | <i>(7,640)</i>     |
| <b>Estimated Expenditure (incl savings plans; table 3)</b> | <b>637,175,368</b>  | <b>646,761,687</b>  | <b>649,896,578</b> | <b>669,540,371</b> | <b>681,813,629</b> |
| <b>Funding gap in year</b>                                 | <b>1,739,172</b>    | <b>5,227</b>        | <b>907,171</b>     | <b>5,207,378</b>   | <b>1,360,782</b>   |

2.5. The total net savings amount of £45m excludes £6m of previous savings that were one-off or are now unachievable, so the full extent of all planned savings for next year is **£50.6m**. This includes

- £3.7m agreed in previous years for delivery in next year
- £8.5m of savings identified in the current year to address emerging challenges, in particular new inflationary pressures
- £15.8m of efficiency savings relating to more efficient ways of working, brought together as a new 'operating model' for the council
- £23m of general efficiency savings

2.6. Spending in the current year is expected to be around £656m, and – with no changes – next year's spending would be around £682m. This report and the appendix to it set out the measures we can take now to constrain council spending at a level more comparable to the current year, and to avoid costs increasing to an unaffordable level in the coming years. For that reason, despite difficult decisions being required, it is not expected that residents will see a noticeable deterioration in services provided 'on the ground', but they may see changes in the way services are delivered.

2.7. This report also provides an update on the Council's medium term financial outlook against the difficult financial environment that all local authorities are facing. It follows the updates provided to Cabinet in July and October 2022.

2.8. In setting the budget for 2022/23 at its meeting in February 2022, the Council also approved a medium-term financial plan. This estimated a gap of £33.9m based on the information known.

- 2.9. The July update to the MTFS recognised the impact of price inflation arising since February. However, the Council had taken early action to mitigate this and the estimated gap in 2023/24 was reported as £27.5m. based on the updated information then available.
- 2.10. In October the Mid-Year review demonstrated that this gap had increased to £35.8m as a result of increased estimated resources being more than outstripped by a significant rise in estimated expenditure, driven by inflationary factors impacting on pay and contractual costs and a post-COVID backdrop of increasing demand.
- 2.11. Both these update reports included assumptions around savings proposals that could be delivered in 2023/24. As the year has progressed, higher levels of savings have been identified and project planning begun to understand the implications of the savings and provide resilience around these proposals. Unfortunately, uncertainty in national and public finances over the summer and autumn period has meant that work has instead had to focus on identifying more savings proposals rather than developing and improving the resilience around those already proposed.
- 2.12. This means that identification of significant savings over the early part of the year only managed to restrict the funding gap to £35.8m by the end of October – a higher gap than projected in February despite the savings proposed. This report takes a forecast budget gap for the coming year of £35.8m as its starting point - using more detailed estimates for likely contract costs (including for the care sector) in 2023/24 less existing savings already identified.
- 2.13. The MTFS has been prepared in advance of knowing the outcomes of the Local Government Financial Settlement, which is expected on the 21 December. This may be better or worse than anticipated, and proposals will be reviewed once that information is published, ahead of finalising proposals for the meetings of Cabinet (February) and Full Council (March).
- 2.14. This is a significant budget challenge for the Council. Securing a balanced budget for 2023/24 is likely to require some challenging decisions and as a result a more radical, transformational approach is required. To achieve this will require investment and alignment of the organisation around the key outcomes as identified in TSP. By achieving this goal in 2023/24, however, the Council will have made significant progress towards securing a sustainable budget throughout the medium term.
- 2.15. The MTFS also includes details of the approved capital investment programme. This is aligned to the 5 years of the revenue spending estimates and sets out £450m of investments. The funding sources for this show that 71% is funded through government and other grants, and developer and other contributions. 9% is expected to be

funded from capital receipts realised in the period, and the remaining 20% is anticipated to be funded from prudential borrowing.

2.16. The MTF5 sets out the delivery strategy and highlights links to other strategic initiatives that are aligned to delivery of the TSP. These include:

- **Workforce Strategy (2022-25)**, which sets out how Council Staff will be supported and engaged with to help secure TSP outcomes.
- **'Getting it Right'**, an internal workforce guide, which sets out how the Council's priorities are supported by its values and link together the quality of customer and employee experiences.
- **'Getting Leadership Right'** - A programme which provides a framework for values-led leadership and a common organisational language for performance development. Participants in the first wave, which started in November, represent around 10% of all staff and include the Chief Executive and the wider Senior Leadership Team.

2.17. These interrelated programmes of work emphasise a co-ordinated, agile, and professionally skilled organisation. They provide significant support to the organisation as we adapt to our current environment and give confidence that the challenge set out in the MTF5 can be successfully delivered.

2.18. The appendix to the report provides further analysis on the changes that have occurred and the plans in place to address them.

### **3. Recommendations**

That Cabinet

- a. Notes the factors affecting the estimated funding gap in 2023/24 to 2027/28 and the proposals to close that gap and thereby set a balanced budget for next year (the attachment to appendix 1).
- b. Approves the savings proposals which will contribute towards delivery of a balanced budget in 2023/24 as outlined in Appendix 1 Annex A, enabling the Leader of the Council to consult on the budget plans before presenting a final proposed budget to Council on 2 March 2023.
- c. Note and approve the draft capital programme identified at Appendix 1 including funding sources for these schemes.

## **REPORT**

## **4. Risk Assessment and Opportunities Appraisal**

- 4.1. Not required for this report; further risk assessments and equalities impact assessments will be undertaken as part of the wider budget setting process.

## **5. Financial Implications**

- 5.1. This report sets out the financial implications for the Council over the 2023/24 to 2027/28 Financial Years. Details are contained within the Medium Term Financial Strategy attached at Appendix 1.

## **6. Climate Change Appraisal**

- 6.1. The Council's Financial Strategy supports strategies for Climate Change and Carbon Reduction in a number of ways. The 2022/23 revenue budget has an annual base budget provision of £0.500m (following the £1m initial investment in 2021/22) to support Climate Change initiatives in order to deliver the Council's Climate Change Strategy Framework.
- 6.2. The future programme includes programmes to support a range of initiatives such as moving to LED street lighting, enabling agile and mobile working, so dramatically reducing travel. Further, support for Park and Ride schemes will help to reduce car emissions within town centres.
- 6.3. Schemes detailed in the Capital Strategy (2021/22 to 2026/27) and the development of future projects will take into consideration the Council's Climate Change Strategy Framework, promoting sustainable development, reducing Shropshire's overall carbon footprint, and generating energy and cost savings wherever possible.

## **7. Background**

- 7.1. Council approved the Financial Strategy 2021/22 – 2025/26 on 24 February 2022. This report updates Cabinet of the impact of the latest budgetary position for the Council as detailed in the existing quarterly revenue and capital monitoring reports and outlines the impact of national and local decisions that have been taken since February 2022 on the Council's financial strategy.
- 7.2. The Council's Medium Term Financial Strategy is attached at Appendix 1. This Strategy looks at financial planning and management over a five-year period and links The Shropshire Plan vision and priorities with the forecast resource and expenditure

estimates. It also helps the Council towards developing a sustainable budget over the medium term.

- 7.3. Previous Cabinet and Council meetings papers, including the budget report for 2022/23 (February 2022) and the MTFS update (July and also October, 2022).

**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)**

Lezley Picton, Gwilym Butler.

**Local Member**

**Appendices**

Appendix 1 – MTFS update; December 2022

# Medium Term Financial Strategy 2023/24 – 2027/28

December 2022





## Foreword

Following engagement with the public, our partners, and local businesses, Shropshire Council agreed 'The Shropshire Plan' at its meeting in May 2022. This plan sets out the Council's vision, purpose and priorities, grouped into 4 themes:

- healthy people,
- healthy economy,
- healthy environment, and
- a healthy organisation.

A clear strategy helps us all to be agile in our response to new challenges. It helps us to plan ahead in a consistent and coherent way. This strategy will help us to do that, by connecting our overall objectives as set out in The Shropshire Plan to how we allocate financial resources to our many different activities.

**This update for December 2022 includes savings proposals for the MTFS period. These proposals are extensive – they total £50.6m in next year. The proposals are not put forward without a keen awareness of their likely impact – but we need to address the financial challenges we face, challenges arising from national and international economic pressures, and we must do that now.**

**The alternative is that we lose the ability to control our future, a fate we have already seen other councils succumb to, but which we are determined to avoid.**



**Lezley Picton**  
Leader of the  
Council



**Andy Begley**  
Chief Executive



# Introduction

This financial strategy begins the process of ensuring that the Council's finances are aligned to the delivery of The Shropshire Plan, as agreed by Councillors in May 2022.

It also builds upon the engagement of the Council with the Local Government Association (LGA) through its 'peer review' process: We invited colleagues from other councils to spend time with us reviewing our financial affairs – including our financial strategy, our budget approach, and our wider financial management across the whole Council.

The LGA review was unequivocal in its conclusions; the technical and professional resources the Council has at its disposal are of a high standard and provide a sound foundation from which to meet the coming challenges.

The review also emphasised that the approaches we have used in recent years were unlikely to secure the efficiency and effectiveness we know we need to meet our future challenges. It highlighted that we could make changes in several areas, including

- Confidence in our ability to deliver Member and resident aspirations.
- Clarity over the financial outlook in the short-, medium-, and long-term.
- A move from minimising to managing risk.
- A transparent approach to how we will secure sustainable finances, and the consequences of failing to do so.

Lastly, following the pressures of the pandemic, it is clear that the wider economic outlook continues to be uncertain. The invasion of Ukraine and subsequent price inflation was not anticipated in our previous plans at the current levels. We are now adjusting our plans accordingly and taking the steps needed – the proposals for spending reductions set out in the strategy report are part of the proactive planning process and – if approved by Council - will ensure that the council is financially sustainable in the coming years.

**Further to this update of our strategy, we look forward to engaging with residents, partner agencies, local businesses and other stakeholders to understand better where they agree with our approach and where there may be unintended consequences.**



**Gwilym Butler**  
Cabinet Member  
for Finance



**James Walton**  
Executive Director  
of Resources

# Medium Term Financial Strategy Summary; Outlook and forward planning



# Medium Term Financial Strategy

## - Summary at December 2022

The MTFS for 2022/23 and later years was first agreed in February 2022 by Full Council. An update was presented and agreed in July 2022, and again in October. Since that date, a number of factors have continued to affect the financial outlook for the Council.

Internally, the Council has agreed 'The Shropshire Plan', launched formally in October. This sets out the vision and key priorities for the coming years. This will help to navigate the financial pressures by helping to prioritise activities and removing or reducing work where this does not directly support the objectives of the plan.

Externally, the war in the Ukraine continues to have an impact on the wider economy, which is also impacted by the changed leadership of the national government and the new direction anticipated in the coming months.

This update of the MTFS includes detailed revenue savings proposals. These have been developed in alignment with the Shropshire Plan, and will secure a sustainable budgetary position across the MTFS period. However, these savings also represent a significant challenge – and risk – in terms of their delivery. These factors are set out in this update of the MTFS.

## Financial Outlook

The overview of the revenue position is summarised in the table below. The expenditure estimates include savings proposals in 2023/24 £50.6m, set out in the attachment to this MTFS update.

| SUMMARY REVENUE FUNDING GAP | 2023/24          | 2024/25      | 2025/26        | 2026/27          | 2027/28          |
|-----------------------------|------------------|--------------|----------------|------------------|------------------|
|                             | £                | £            | £              | £                | £                |
| Estimated Funding           | 635,436,197      | 646,756,460  | 648,989,407    | 664,332,993      | 680,452,847      |
| Estimated Expenditure       | 637,175,368      | 646,761,687  | 649,896,578    | 669,540,371      | 681,813,629      |
| <b>Funding gap in year</b>  | <b>1,739,172</b> | <b>5,227</b> | <b>907,171</b> | <b>5,207,378</b> | <b>1,360,782</b> |

## Resources

The table above shows that the Council receives resources each year which average £655m per annum across the period.

Overall resources are largely stable throughout the period. These are driven by Council tax receipts and retained business rates under the rates retention mechanism and supplemented by government grants for specific services.

- Council tax – this is currently estimated to increase each year by c £11m due to an estimated 1.5% per year growth in the number of chargeable properties (the tax base), an assumed 1.99% national limit on the increase in the charge (included for each year; assumed as 2.99% in 2023/24, as noted below), and a further charge of 2% per year for the social care precept. Overall levels of Council Tax are expected to grow from £191m in 2023/24 to £239m by 2027/28.

These assumptions have been updated for the announcements included in the Autumn Statement presented by the Chancellor on 17 November. This indicated that the anticipated limit for increases to the basic charge of council tax would increase to 2.99% for 2023/24. Similarly, it is assumed that the social care precept will increase at 2%. (NB – each 1% on council tax yields c £1.8m additional resource for the council.)

- Business rates - The 'rates retention' mechanism, including the 'top-up' and 'tariff' arrangements, indicate that resources from retained business rates average £55m per year, rising from £52m to £60m across the period as the NDR multiplier is increased each year. (These figures also include retained Revenue Support Grant of £6.5m per year.) It is anticipated that the NDR multiplier may increase in line with general inflation for 2023/24. However, this may not yield a corresponding increase in receipts retained by the council, due to the position of NDR receipts within a wider funding framework (the settlement funding assessment, 'SFA')
- Other important resources include ringfenced and targeted government grants. The application of these is usually restricted, and the Council needs to ensure that the planned use is appropriate and sustainably contained within the available funding. These include, for example (using current year values):
  - £105m Dedicated Schools Grant
  - £38m Mandatory Rent Allowances
  - £17m business rate reliefs compensation grant (s31)
  - £12.4m Public Health Grant

## Expenditure

Estimated expenditure averages £657m per year, with estimated spending in 2023/24 of nearly £637m (after savings applied). Inflationary pressures and the pressure from local population growth is usually around £20m per year – but this has more than doubled as a result of the current level of inflation.

The table above is an estimate of the costs the council expects to incur in the *future*, based on no other changes being made to current operating methods and demand for services continuing at the same rate or continuing to increase at the same rate. The

savings proposals relate to those forecast future costs, reducing them by adopting new ways of working in the future, revising future contracts and changing future staffing structures. While it may seem unlikely that the council can reduce a net budget of £244m by £50m without people seeing a significant difference to the services provided 'on the ground', that can be explained in terms of reducing future costs which are expected but not yet incurred, rather than reducing costs below the present level.

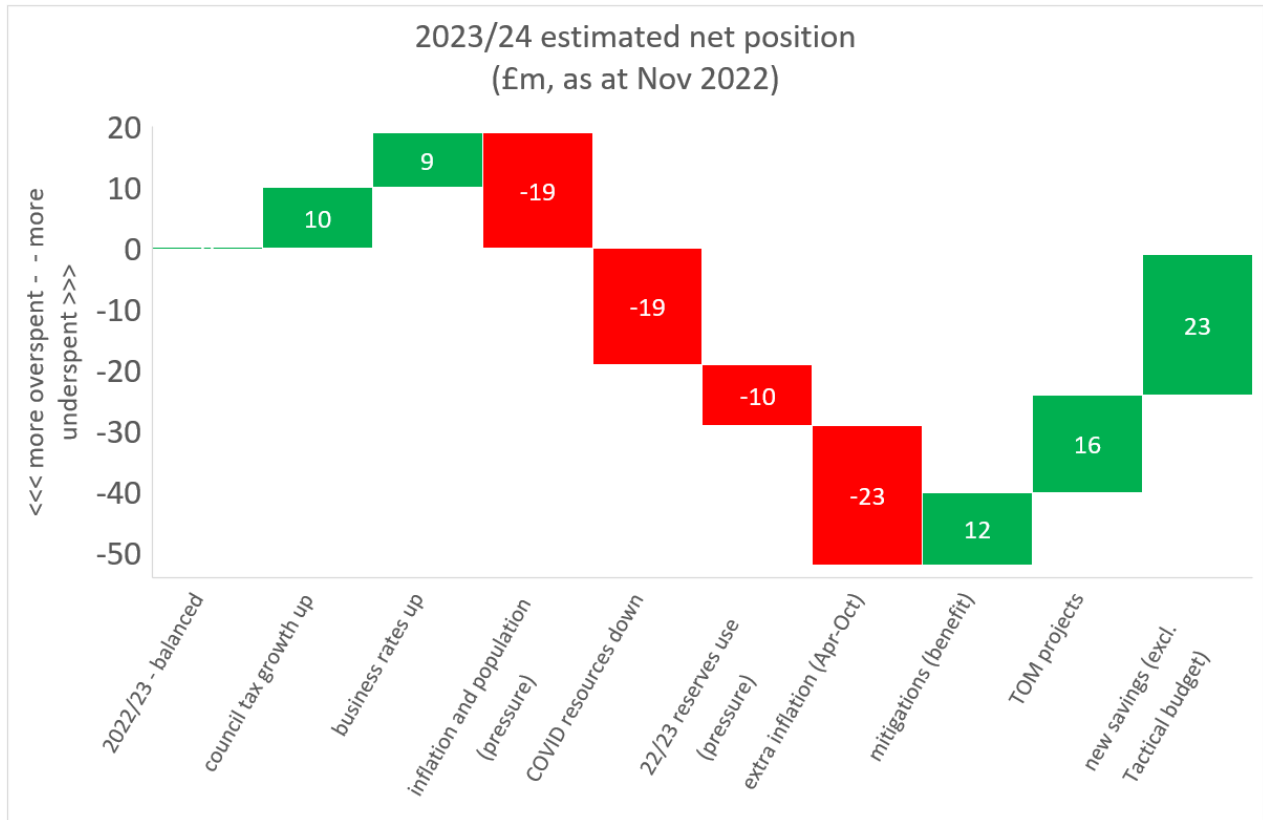
## **Estimated Net Expenditure**

The impact of different factors on the MTFS position from the current year to the next year is set out in the chart below. This shows that anticipated resource growth into the coming year was estimated to match cost increases from population growth and price increases, based on the inflation forecasts at the time (January 2022). The loss of COVID resources was also anticipated, although the persistence of a range of associated costs was not. Reserves use agreed as part of the 22/23 budget would not be repeated into the next year, which was a calculated risk taken at the time (and driven by the uncertainty around future adult social care funding). Additional inflation arising after January 2022 provided a further substantial pressure.

Work to mitigate these pressures began earlier than has been the case in previous years, a reflection of the urgency of the situation. A range of mitigations were identified in early summer (and the current position on these is included in the savings tables at the end of this appendix).

Further savings have been identified arising from new 'target operating model' (TOM) projects – designed to maximise organisational efficiency and effectiveness, and adopting best practice opportunities from across the local government sector.

Additional savings have been identified from a range of opportunities within existing operating models. In many cases these help to reduce costs to within an affordable range by reducing or diverting demand, or by securing more efficient delivery methods. In many cases, proposals are expansions or accelerations of existing efficiency measures, reflecting the journey of local government as a whole in recent years, where each new year sees us 'doing more with less'.



## Financial Strategy – Short, Medium and Long-Term Objectives

The chart above includes the estimated impact of the actions being put into place in the short term to address inflationary pressures and ensure we maintain a balanced budget. The actions include both short term measures (that is, actions in this year and next year), and actions expected to yield benefit in future years.

Many proposed actions require either separate decisions to enable them or rely on collaboration with bodies outside the council for them to be achieved. There remains therefore a clear risk in the delivery of these proposals. However, the council is aware of this risk and is actively managing it.

Overall, the longer-term strategy of the council is to ensure that, as set out in the Shropshire Plan, we are ‘living the best life’. In financial terms, this requires some rebalancing of our budgets so that less is spent on social care, and more is spent on maintaining good health and independence and preventing poor health. In a similar way, we aim to provide more resources to support the growth in our local sources of income – building more homes to accommodate a growing population, but in doing so, being able to increase council tax receipts.

This will help us plan sustainably, generating income from local taxation and fees and charges levied, which, together with the 'core spending' funding received from government will balance the cost of the services we provide.

## Preparing the budget for 2023/24

As noted in the last MTFS update, the approach taken to planning for 2023/24 has been to:

- seek recurrent savings from service areas in order to address the budget gap identified for 2023/24 in a sustainable way, and
- remove use of reserves to bridge the budget gap, and if possible, make contributions in order to replenish them.

This process has been informed by The Shropshire Plan, our Workforce Strategy is set out to ensure that all staff are supported to deliver the aims of the Shropshire Plan, including initiatives badged as 'Getting it Right' and 'Getting Leadership Right', and the 'Target Operating Model' or 'TOM'. These are described below.

The Shropshire Plan (see link here: [The Shropshire Plan 2022-2025 | Shropshire Council](#)) is informed by the following key objectives:

- healthy people,
- healthy economy,
- healthy environment, and
- a healthy organisation.



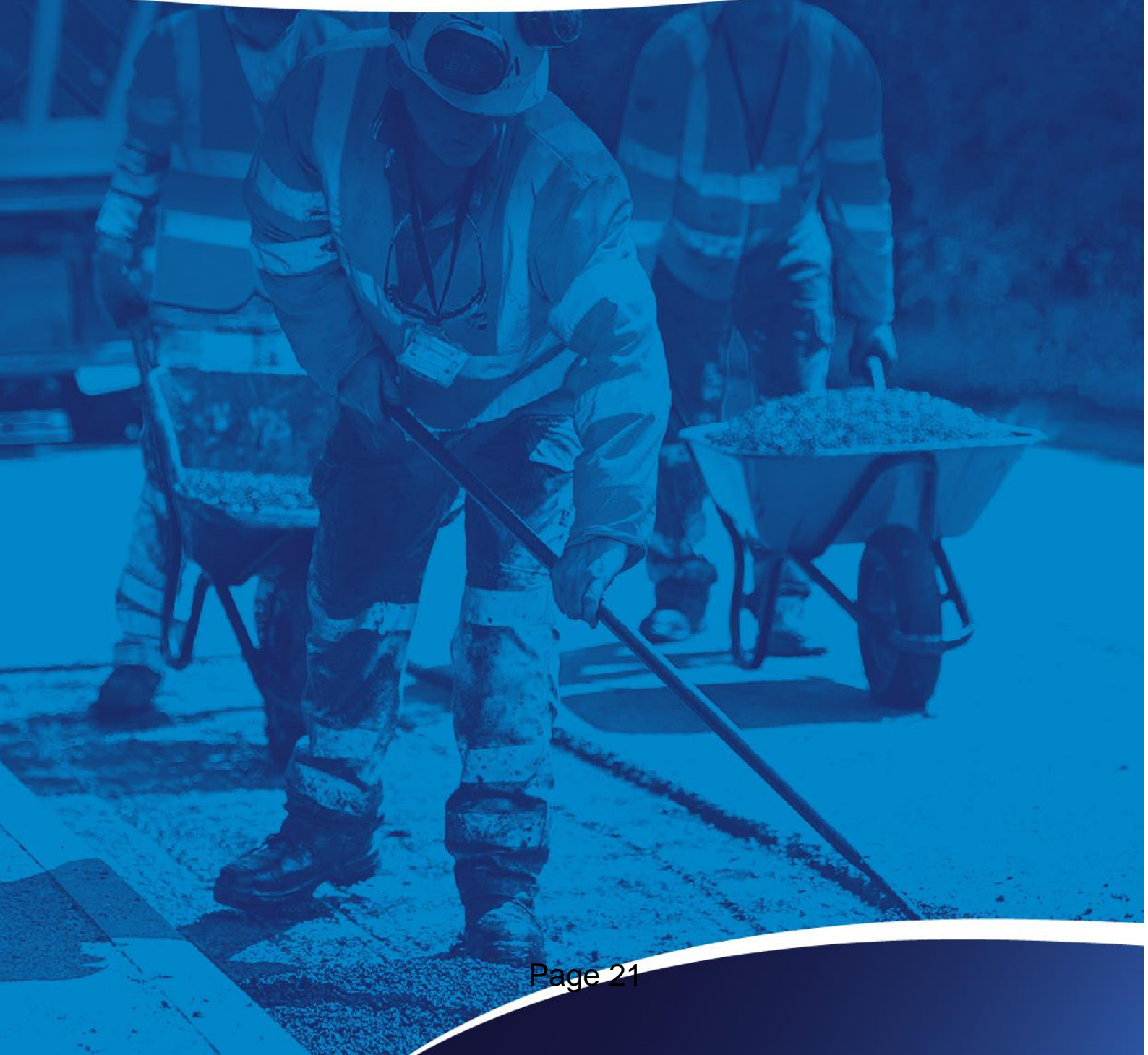
The Workforce Strategy is here: [Workforce Strategy 2022 to 2025 \(shropshire.gov.uk\)](#). The illustration below, taken from the Workforce Strategy, sets out the key values of 'Getting It Right' (GiR) which is our overarching approach.

The Workforce Strategy also contains a leadership programme for the 10% of staff who are central to the leadership and performance of the whole Council. This leadership programme is called ‘Getting Leadership Right’. Over 300 staff are enrolled in the first phase of GLR, including the Chief Executive, the Executive Directors, and the Assistant Directors. Many staff have already spoken positively of their experiences of this programme, which is important – the values of GiR and the learning from GLR will be vital in being able to secure the MTFS objectives: They will enable significant service transformation and cultural change across the Council.





# Impact on the current year



# Impacts from the current year

## Changes since February and their impact on 2023/24 Budget

### Interest Rate Increases

In response to the impact on the economy that the inflationary pressures is causing, the Bank of England has increased the base rate from 0.1% in December 2021 to the current rate of 3.0% (from 3 November).

Any increase in the base rate is likely to translate into increasing costs of borrowing should the Council need to borrow for the Capital Programme. Accordingly, this is likely to have a corresponding impact on the revenue budget and the business cases for capital schemes. This will be carefully monitored during the course of the Medium Term Financial Strategy. Base rates may also lead to higher interest receivable from the investment of cash balances.

### Adult Social Care Reform

The Government published outline reforms to adult social care funding late in 2021. There remain a number of key issues to be resolved, but it is likely that (based on current information) there will be a net cost to councils delivering social care. These costs are not yet factored into the later years of the Council's MTFS as their likely level is not known with confidence.

The LGA briefing on the potential impact of adult social care reform on councils is available here:

[Not enough money for adult social care reforms, say 98 per cent of councils in LGA survey | Local Government Association](#)

### Local Government Pressures

There have been a number of 'public interest reports' made by external auditors in recent months. These have highlighted how the current financial pressures are affecting the financial standing of different councils. The consistent message is that securing robust technical management of the accounts together with a transparent culture of honest and open engagement between officers and Members, and with clarity on the current financial position and the likely financial outlook, is critical.

Recent Public Interest Reports are summarised below. These now include the third s114 notice issued by LB Croydon, and the recent reports on the commercial investment strategies pursued by Spelthorne and Thurrock Councils.

| Authority               | Issues raised  |
|-------------------------|--|
| <b>Croydon</b>          | <b>Third s114 notice issued (19 November). Budget gap of 43% for 23/24.</b>                              |
| <b>Spelthorne</b>       | <b>Regulatory basis for commercial investments.</b>  |
| <b>Thurrock</b>         | <b>£470m funding gap identified arising from its investment strategy.</b>                                |
| Nottingham City Council | Treatment of HRA appropriations  |
| LB Croydon              | Contracts for housing work; Fairfield Halls improvement works  |
| Wirral Council          | Need for strategic (multi-year) approach to savings plans  |
| Slough                  | Incorrect accounting including reserves and MRP calculations   |
| Warrington Council      | Credit rating reduction  |
| Northamptonshire        | Inaccurate financial reporting leading to inappropriate decisions; inappropriate use of capital receipts |

Additionally, Grant Thornton have updated their review of Public Interest Report themes in September 2022, further to their previous review in March 2021 (here: [Lessons from Public Interest Reports \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/insights/public-interest-reports)).

The key themes they identify are all mitigated in the approach set out in this MTFS. The themes and mitigations are set out below.

| Grant Thornton theme           | Local mitigation  |
|--------------------------------|---|
| Cultural and Governance issues | Leadership and performance management training; definition of organisation core values (Workforce Strategy, GiR, GLR); Review of Internal Audit workplan for 2023/24 in view of MTFS savings proposals. |

|   |  |
|---|--|
| Failure to understand and manage the risks associated with external companies           | Ongoing dialogue with Cornovii Developments Limited (CDL) and STAR Housing to ensure that financial planning is undertaken in view of all relevant information.  |
| Failure to address and resolve relationship issues between senior officers and members. | Open dialogue between Council Leader and Chief Executive on matters of Member and Officer conduct.   |
| Financial capability and capacity   | Ongoing review of financial service staffing, capability and performance; engagement within wider networks and sector experts to secure technical advice and guidance as necessary; updated financial training and support to operational managers to develop wider organisational capacity. |
| Audit Committee effectiveness   | Ongoing review and insight including from s151 officer/CFO; provision of Audit Committee training sessions as requested.   |

## Internal Reviews and Developments

On 12<sup>th</sup> May 2022, the Council approved the Shropshire Plan which sets out its vision and key priorities for the coming years. This document will now help shape where the Council prioritises its activities and remove or reduce work where this does not directly support the objectives of the plan. Therefore the Financial Strategy will be closely aligned to the Shropshire Plan to ensure that the Council resources are deployed to only those areas of priority.

In order to ensure that the Council's Financial standing and processes are as robust as possible, it was agreed with the Local Government Association that a Finance Peer Review would be undertaken in June 2022. This exercise was far reaching across the Council and not only examined the financial strategy and budget approach of the organisation, but also looked at the wider financial management approaches across the organisation.

The results from the Peer Review were positive and stated that they believe that the Council should be confident in its ability to meet the challenges for the future. They believe that the actions taken by the Council to address recently identified inflationary pressures and the planned implementation of the Target Operating Model to align the activities of the Council to the Shropshire Plan will put the Council in a good position to address the funding position (as now set out in this report).

There were a number of recommendations made by the Peer Review have helped to refine the Council's approach. The peer review report is available, alongside the Council's action plan building on the recommendations of the report, here: [LGA finance review | Shropshire Council](#).

# Impact on Medium Term Financial Strategy 2023/24 – 2027/28



## Revised MTFs Summary and Funding Gap

The impact of the inflationary pressures and mitigating savings activity outlined above has affected the funding gap over the period of the MTFs. The revised gap is outlined below, detailing the changes that have occurred since February 2022.

The details of impacts identified on resources and spending estimates are summarised below, with details in the following 2 tables.

| 1) REVENUE FUNDING GAP  | 2023/24            | 2024/25            | 2025/26            | 2026/27            | 2027/28            |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | £                  | £                  | £                  | £                  | £                  |
| Ongoing Funding ( <i>from table 2</i> )                           | 600,245,282        | 610,659,022        | 611,958,251        | 626,340,107        | 641,469,379        |
| <b>One off Grants &amp; Reserves:</b>                             |                    |                    |                    |                    |                    |
| Improved Better Care Funding                                      | 10,252,045         | 10,618,624         | 10,996,201         | 11,385,105         | 11,785,676         |
| New Homes Bonus - One Off   | 0                  | 0                  | 0                  | 0                  |                    |
| Rural Services Delivery grant                                     | 6,940,755          | 6,940,755          | 6,940,755          | 6,940,755          | 6,940,755          |
| Social Care Grant - One Off                                       | 17,998,115         | 18,538,058         | 19,094,200         | 19,667,026         | 20,257,037         |
| <b>Total one-off resources</b>                                    | <b>35,190,915</b>  | <b>36,097,438</b>  | <b>37,031,156</b>  | <b>37,992,886</b>  | <b>38,983,468</b>  |
| <b>Estimated Funding</b>  | <b>635,436,197</b> | <b>646,756,460</b> | <b>648,989,407</b> | <b>664,332,993</b> | <b>680,452,847</b> |
| Estimated Expenditure (excl savings plans)                        | 682,254,535        | 660,169,408        | 659,890,404        | 673,375,243        | 681,821,269        |
| Savings plans   | (45,079,166)       | (13,407,722)       | (9,993,826)        | (3,834,872)        | (7,640)            |
| <b>Estimated Expenditure (<i>incl savings plans; table 3</i>)</b> | <b>637,175,368</b> | <b>646,761,687</b> | <b>649,896,578</b> | <b>669,540,371</b> | <b>681,813,629</b> |
| <b>Funding gap in year</b>  | <b>1,739,172</b>   | <b>5,227</b>       | <b>907,171</b>     | <b>5,207,378</b>   | <b>1,360,782</b>   |

Table 3 sets out the basis of the estimated expenditure, and includes net savings proposed of £45.1m (or £50.6m gross, including previously agreed savings, tactical budget savings, target operating model (TOM) projects, and new savings proposed).

This is a substantial savings programme for a single year and entails significant delivery risk. This risk is acknowledged and is planned to be mitigated through the increased visibility and focus of financial performance reporting, including:

- Clear savings delivery plans and identified governance and decision-making routes for all savings proposed.
- Risk reviews of individual proposals.
- Clear officer accountability and support for financial monitoring
- Monthly savings delivery reporting, with areas of concern and any mitigating actions required, monitoring areas of delay (or acceleration), and under- or over-delivery.
- Monthly overall budget reporting.
- Urgent escalation of issues as required.

| 2) ESTIMATED FUNDING   | 2023/24            | 2024/25            | 2025/26            | 2026/27            | 2027/28            | Assumptions  |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--|
|  | £                  | £                  | £                  | £                  | £                  |  |
| <b>Council Tax</b>   | 193,577,046        | 204,622,653        | 216,298,569        | 228,640,264        | 241,685,930        | - Council tax increase of 2.99% in 2023/24, reverting to 1.99% thereafter.<br>- 2% on SC precept<br>- Growth in Taxbase of 2.02% in 23/24 and 1.65% in future years<br>- An increase in collection rate to 98.5% |
| <b>Council Tax Collection Fund Surplus/(Deficit)</b>         | -93,463            | 500,000            | 500,000            | 500,000            | 500,000            | 2023/24 based on smoothing of COVID exceptional balance, will be updated later in the year once final figures are known.   |
| <b>Business Rates:</b>                                       |                    |                    |                    |                    |                    |  |
| Business Rates Collected                                     | 35,752,067         | 42,424,766         | 43,083,729         | 43,752,927         | 44,432,519         | Future years based on valuation list growth of 0.8% and multiplier increase of 1%, 23/24. It is assumed all reliefs remain in place.   |
| Business Rates - Energy Renewable Schemes                    | 1,000,000          | 1,000,000          | 1,000,000          | 1,000,000          | 1,000,000          | Assumed £1m flat rates from Energy Renewable schemes.  |
| Top Up Grant   | 10,031,260         | 10,031,260         | 10,031,260         | 10,031,260         | 10,031,260         | As per Final Local Government Finance Settlement 2022  |
| Business Rate Collection Fund Surplus/(Deficit)              | -168,114           | -500,000           | -500,000           | -500,000           | -500,000           | 2023/24 based on smoothing of COVID exceptional balance, will be updated later in the year   |
| <b>REVENUE SUPPORT GRANT</b>                                 | 6,450,404          | 6,450,404          | 6,450,404          | 6,450,404          | 6,450,404          | No assumed RSG growth.   |
| <b>NET BUDGET</b>  | <b>246,549,199</b> | <b>264,529,082</b> | <b>276,863,961</b> | <b>289,874,854</b> | <b>303,600,114</b> |  |
| <b>Grants included in Core Funding:</b>                      |                    |                    |                    |                    |                    |  |
| Improved Better Care Fund                                    | 10,252,045         | 10,618,624         | 10,996,201         | 11,385,105         | 11,785,676         | As per Final Local Government Finance Settlement 2022, inflated by 3% (per SR21)   |
| New Homes Bonus  | 2,424,326          | 0                  | 0                  | 0                  | 0                  | Assumed one further year allocation at the same level as 22/23 allocation.   |
| Rural Services Delivery Grant                                | 6,940,755          | 6,940,755          | 6,940,755          | 6,940,755          | 6,940,755          | As per Final Local Government Finance Settlement 2022, cash flat   |
| Social Care Support Grant                                    | 17,998,115         | 18,538,058         | 19,094,200         | 19,667,026         | 20,257,037         | As per Final Local Government Finance Settlement 2022, inflated by 3%, plus an additional £5m resulting from Autumn Statement announcement   |
| <b>CORE FUNDING</b>  | <b>284,164,440</b> | <b>300,626,520</b> | <b>313,895,117</b> | <b>327,867,740</b> | <b>342,583,581</b> |  |
| <b>Local Income</b>  |                    |                    |                    |                    |                    |  |
| Fees and charges (including income savings from prior years) | 82,718,167         | 83,151,596         | 83,593,807         | 84,045,021         | 84,496,235         | No assumed growth or loss.   |
| Other Grants and contributions                               | 30,785,140         | 30,785,140         | 30,785,140         | 30,785,140         | 30,785,140         | No assumed growth or loss.   |
| Specific Grants (excl Core Funding Grants above)             | 193,473,094        | 186,991,326        | 174,579,747        | 174,537,766        | 174,499,983        | No assumed growth or loss.   |
| Internal Recharges   | 9,104,440          | 9,104,440          | 9,104,440          | 9,104,440          | 9,104,440          | No assumed growth or loss.   |
| <b>TOTAL FUNDING (to table 1)</b>                            | <b>600,245,282</b> | <b>610,659,022</b> | <b>611,958,251</b> | <b>626,340,107</b> | <b>641,469,379</b> |  |



| 3) ESTIMATED EXPENDITURE                               | 2023/24             | 2024/25             | 2025/26            | 2026/27            | 2027/28            |
|--|---------------------|---------------------|--------------------|--------------------|--------------------|
|  | £                   | £                   | £                  | £                  | £                  |
| <b>Original Gross Budget Requirement</b>               | <b>656,496,475</b>  | <b>637,175,368</b>  | <b>646,761,687</b> | <b>649,896,578</b> | <b>669,540,371</b> |
| <b>Inflationary Growth :</b>                           |                     |                     |                    |                    |                    |
| Pay  | 11,336,970          | 3,968,420           | 4,087,470          | 4,210,090          | 4,336,370          |
| Apprenticeship Levy                                    | 21,970              | 14,110              | 14,530             | 14,970             | 15,420             |
| Pensions   | (982,060)           | 305,669             | 458,757            | 0                  | 0                  |
| Prices   |                     |                     |                    |                    |                    |
| Corporate Landlord inflation                           | 2,180,000           | 185,447             | 190,084            | 194,836            | 199,707            |
| Contract inflation                                     | 25,026,668          | 6,059,096           | 6,223,974          | 6,380,058          | 6,539,053          |
| <b>Demography &amp; Demand</b>                         | <b>1,133,830</b>    | <b>289,455</b>      | <b>299,535</b>     | <b>306,085</b>     | <b>237,550</b>     |
| <b>Service Specific Pressures</b>                      | <b>0</b>            | <b>168,000</b>      | <b>(400,000)</b>   | <b>(500,000)</b>   |                    |
| <b>Local Generated Pressures:</b>                      |                     |                     |                    |                    |                    |
| Elections  |                     |                     | 400,000            | (400,000)          |                    |
| Specific Grants Changes between years                  | (23,437,694)        | 824,701             | (11,477,861)       | 919,749            | 952,799            |
| One off investment in IT infrastructure                |                     |                     |                    |                    |                    |
| Ongoing reduction in New Homes Bonus (pressure)        | 2,227,139           | 2,424,326           |                    |                    |                    |
| Ongoing Pressures                                      | 7,552,822           |                     |                    |                    |                    |
| Estimated Cost of Investment - <i>Approved</i>         | 895,415             | 1,774,815           | 1,371,229          | 1,382,878          |                    |
| <i>Additional Staff for Capital Programme</i>          | (500,000)           |                     |                    |                    |                    |
| Invest to Save Fund for delivery of future savings     | (97,000)            | (20,000)            | (39,000)           | (30,000)           |                    |
| Energy Renewable Schemes                               |                     |                     |                    |                    |                    |
| Adjustment to Gross budget offset by Income changes    | 400,000             |                     |                    |                    |                    |
| Contribution to General Fund                           |                     | 5,000,000           | 5,000,000          | 5,000,000          |                    |
| MTFS reserve (savings slippage / optimism bias)        |                     | 2,000,000           | 7,000,000          | 6,000,000          |                    |
| <b>Savings</b>   |                     |                     |                    |                    |                    |
| <i>One off saving - Morrissons Lease and Buyout</i>    | 1,415,065           |                     |                    |                    |                    |
| <i>Unachievable Savings agreed in previous years</i>   | 4,559,010           |                     |                    |                    |                    |
| <i>Savings Agreed in Previous Financial Strategies</i> | (3,680,737)         | (3,114,476)         | (4,025,667)        | (5,878,139)        |                    |
| <i>Tactical Budget Savings</i>                         | (8,512,561)         | (3,420,000)         | (662,000)          | (80,000)           | (55,000)           |
| <i>TOM Budget Savings</i>                              | (15,796,058)        | (7,143,796)         | (5,580,759)        | (578,285)          |                    |
| <i>New Savings Proposals</i>                           | (23,063,885)        | 270,550             | 274,600            | 2,701,552          | 47,360             |
| <b>Subtotal - all savings</b>                          | <b>(45,079,166)</b> | <b>(13,407,722)</b> | <b>(9,993,826)</b> | <b>(3,834,872)</b> | <b>(7,640)</b>     |
| <b>TOTAL EXPENDITURE (to table 1)</b>                  | <b>637,175,368</b>  | <b>646,761,687</b>  | <b>649,896,578</b> | <b>669,540,371</b> | <b>681,813,629</b> |

| 4) Approved Capital Programme Summary                 | 2022/23            | 2023/24            | 2024/25            | 2025/26           | 2026/27           | 2027/28           |
|---|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| Projects (analysed below)                             | 45,960,705         | 70,200,004         | 71,333,072         | 29,711,360        | 633,261           | -                 |
| Maintenance - Highways / Schools / Corporate Landlord | 45,487,054         | 33,378,236         | 30,603,500         | 22,153,500        | 15,432,000        | 13,582,000        |
| Supported Care Management and Equipment               | 1,464,728          | 150,000            | 200,000            | -                 | -                 | -                 |
| Schools Devolved Formula Capital (DFC)                | 640,390            | 1,050,000          | 300,000            | 250,000           | 200,000           | 150,000           |
| Grants And Loans - Disabled Facilities / Green Homes  | 15,427,165         | 5,112,528          | 4,149,000          | 4,149,000         | 4,698,000         | 3,600,000         |
| HRA Planned Maintenance Programme                     | 5,322,487          | 4,828,300          | 4,828,300          | 5,000,000         | 5,000,000         | 5,000,000         |
| <b>Total Capital Investment Programme</b>             | <b>114,302,528</b> | <b>114,719,068</b> | <b>111,413,872</b> | <b>61,263,860</b> | <b>25,963,261</b> | <b>22,332,000</b> |

| 5) Capital Financing                     | 2022/23            | 2023/24            | 2024/25            | 2025/26           | 2026/27           | 2027/28           |
|--|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| Self Financed Prudential Borrowing       | 28,761,698         | 27,098,980         | 24,567,669         | 8,397,303         | 633,261           | -                 |
| HRA - Self Financed Prudential Borrowing | 5,867,599          | 12,069,585         | 6,269,313          | 5,004,318         | -                 | -                 |
| SALIX Loan                               | 786,999            | 1,910,494          | -                  | -                 | -                 | -                 |
| Government Grants & Contributions        | 40,728,356         | 48,690,313         | 58,838,383         | 30,481,000        | 18,730,000        | 17,332,000        |
| Non Government Grants                    | 6,514,694          | 117,750            | 60,750             | 20,250            | -                 | -                 |
| Other Contributions                      | 14,607,819         | 7,174,815          | 5,860,750          | 2,100,195         | -                 | -                 |
| Revenue Contributions to Capital         | 5,124,261          | 749,069            | -                  | 3,308,501         | -                 | -                 |
| Major Repairs Allowance                  | 4,090,223          | 4,828,300          | 4,828,300          | 5,000,000         | 5,000,000         | 5,000,000         |
| Capital Receipts                         | 7,820,880          | 12,079,762         | 10,988,707         | 6,952,293         | 1,600,000         | -                 |
| <b>Total Financing</b>                   | <b>114,302,528</b> | <b>114,719,068</b> | <b>111,413,872</b> | <b>61,263,860</b> | <b>25,963,261</b> | <b>22,332,000</b> |

| 6) Projects Analysis                            | 2022/23           | 2023/24           | 2024/25           | 2025/26           | 2026/27        | 2027/28  |
|---|-------------------|-------------------|-------------------|-------------------|----------------|----------|
| <b><u>Place</u></b>                             |                   |                   |                   |                   |                |          |
| Whitchurch Swimming & Leisure Facility          | 621,824           | 4,420,657         | 5,357,237         | 2,067,303         | 633,261        | -        |
| Recycling Bin Roll Out Programme                | 2,928,076         | -                 | -                 | -                 | -              | -        |
| In Vessel Composting Facility                   | -                 | -                 | 325,000           | -                 | -              | -        |
| Street Lighting LED Replacements                | 1,457,550         | 4,372,955         | -                 | -                 | -              | -        |
| Oxon Relief Road (OLR)                          | 785,462           | 1,653,055         | 4,000,000         | 2,000,000         | -              | -        |
| North West Relief Road (NWRR)                   | 3,961,625         | 10,000,000        | 20,000,000        | 10,000,000        | -              | -        |
| Shrewsbury Integrated Transport Package         | 473,372           | -                 | -                 | -                 | -              | -        |
| Investment in Electric Vehicle Charging Points  | 1,264,711         | -                 | -                 | -                 | -              | -        |
| Bishops Castle Business Park                    | 2,157,287         | -                 | -                 | -                 | -              | -        |
| Oswestry Highway Improvement & Innovation Park  | 2,105,514         | 7,296,019         | 6,496,020         | 4,251,293         | -              | -        |
| Multi Agency Hub, Shrewsbury                    | -                 | -                 | -                 | -                 | -              | -        |
| Pride Hill Redevelopment                        | -                 | -                 | -                 | -                 | -              | -        |
| Broadband Improvements Programme                | 995,136           | 3,000,000         | 2,200,000         | 1,079,945         | -              | -        |
| Commercial Investment Fund Unallocated          | -                 | -                 | 5,479,704         | -                 | -              | -        |
| The Tannery Development Site B&C                | 6,000             | -                 | -                 | -                 | -              | -        |
| The Tannery Development Site A                  | 597,753           | 1,353,605         | 5,000,000         | -                 | -              | -        |
| Whitchurch Medical Practice                     | 2,342,783         | 2,978,228         | -                 | -                 | -              | -        |
| Shrewsbury Town Centre Property Acquisition     | 3,846,000         | -                 | -                 | -                 | -              | -        |
| Oswestry Central Property Acquisition           | 3,326,850         | -                 | -                 | -                 | -              | -        |
| Meole Brace Pitch & Putt                        | 620,360           | 4,264,298         | 503,415           | -                 | -              | -        |
| Maesbury Solar Farm                             | -                 | 2,041,173         | -                 | -                 | -              | -        |
| Travellers Transit Site, Battlefield            | 5,000             | 266,000           | -                 | -                 | -              | -        |
| <b><u>People</u></b>                            |                   |                   |                   |                   |                |          |
| Childrens Residential Care Investment           | 1,080,041         | -                 | -                 | -                 | -              | -        |
| Greenacres Supported Living                     | 105,683           | 2,255,000         | 1,000,000         | -                 | -              | -        |
| Schools Future Place Planning                   | 4,170,746         | 9,652,058         | 10,678,384        | 2,000,000         | -              | -        |
| <b><u>Resources</u></b>                         |                   |                   |                   |                   |                |          |
| Digital Transformation/IT Replacement Programme | 485,549           | 1,000,000         | -                 | -                 | -              | -        |
| <b><u>Housing Revenue Account</u></b>           |                   |                   |                   |                   |                |          |
| HRA Temporary Accommodation Programme           | 1,871,250         | 2,000,000         | 1,000,000         | -                 | -              | -        |
| HRA New Build Programme                         | 10,752,134        | 13,646,956        | 9,293,312         | 8,312,819         | -              | -        |
| <b>Total Projects</b>                           | <b>45,960,705</b> | <b>70,200,004</b> | <b>71,333,072</b> | <b>29,711,360</b> | <b>633,261</b> | <b>-</b> |

# Financial Stability; Reserves and balances



## General Fund Balance

The General Fund balance held as at 1 April 2022 is £11.5m. This is significantly below the risk assessed level for 2022/23 which is £18.7m. This leaves the Council vulnerable to any unexpected spending pressures that may arise during the course of the year. Whilst one off savings will be sought wherever possible to mitigate against unforeseen pressures that may arise, the General Fund does need to be at a sufficient level in case this is any shortfall.

In 2022/23 a one off contribution of £4m has been budgeted bring the General Fund Balance to £15.5m (dependent on delivery of a balanced budget in 2022/23) which is considered to be acceptable, albeit below the target level.

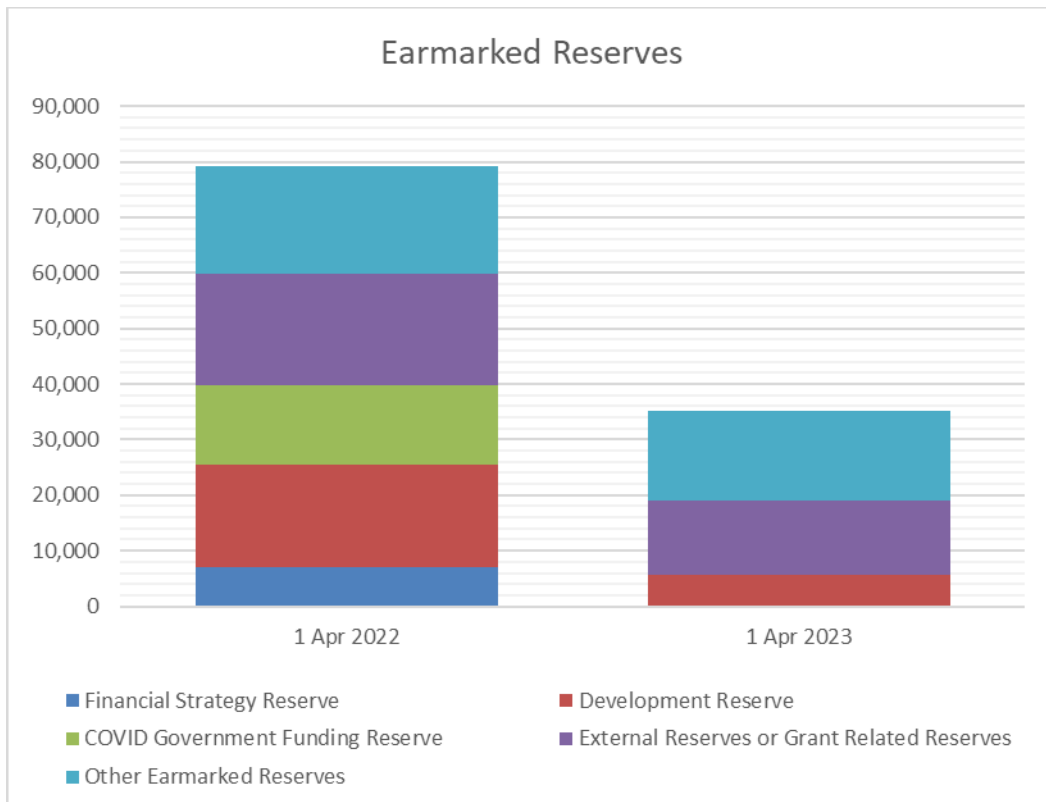
In the medium to long term financial strategy, contributions to the General Fund balance have been factored into assumptions to ensure that the authority is resilient to any future risks.

## Earmarked Reserves

The Council has assumed in previous financial strategies that it would use earmarked reserves, particularly the Financial Strategy Reserve, to help balance the budget. The Financial Strategy Reserve will be fully applied in 2022/23 and therefore this can no longer be considered for future financial years.

The total value in Earmarked Reserves as at 1 April 2022 is £79.2m (excluding schools related reserves). It should be noted that a significant proportion of these reserves have been assumed to be utilised in 2022/23 or are committed in line with grant conditions.

The chart below demonstrates the planned reduction in earmarked reserves in the 2022/23 financial year, with a total reduction of £47.6m anticipated to be drawn down by the end of the year, leaving a balance of £31.6m remaining. A significant proportion of the reduction relates to the use of COVID funding. Anticipated use of the Development Reserve is based on initial estimates or requirements for transformation/TOM projects (discussed above). The level and timing of funding required for this purpose is under review. The Financial Strategy reserve is anticipated to be fully utilised in delivery of the current year budget (as set out in the agreed budget plans for 2022/23).



The Council’s financial strategy will also seek to minimise use of reserves in the medium term, and then to replenish them. This will afford the Council the resources to be able to deal with unexpected challenges, or to invest in further transformation and improvement of its services.

**Attachment – savings proposed**

| ref |   | 2023/24           | 2024/25           | 2025/26          | 2026/27          | 2027/28      |
|-----|---|-------------------|-------------------|------------------|------------------|--------------|
| 1   | <b>Policy Choices</b>   | <b>176,940</b>    | <b>1,064,000</b>  | <b>263,000</b>   | -                | -            |
| 2   | <b>People Directorate – Policy</b>  | <b>302,000</b>    | <b>337,000</b>    | <b>263,000</b>   | -                | -            |
| 3   | Review the transport arrangements for SEND education placements to ensure efficient use of resources whilst providing appropriate support.  | 100,000           | 100,000           | 100,000          | -                | -            |
| 4   | Consult on options to revise the contribution scheme for Post 16 applicants with SEND to ensure efficient use of resources.   | -                 | 100,000           | 125,000          | 125,000          | -            |
| 5   | Review the transport arrangements for placements at the Tuition Medical Behaviour Support Service to ensure efficient use of resources.   | 202,000           | -                 | -                | -                | -            |
| 6   | Consult on options to revise the Post 16 transport assistance scheme to ensure efficient use of resources.  | -                 | 20,000            | 30,000           | -                | -            |
| 7   | <b>Place Directorate – Policy</b>   | <b>(125,060)</b>  | <b>727,000</b>    | -                | -                | -            |
| 8   | Installation of battery units at Shirehall and Theatre Severn to store electricity generated from rooftop photovoltaic cell installations, to support reduced local energy use from the Grid and more locally generated energy, and to replace 'selling back' energy to the Grid. | 75,000            | 75,000            | -                | Reduce           | -            |
| 9   | Reduce small grant funding to local groups  | 25,000            | -                 | -                | -                | -            |
| 10  | Review of collection charges for bulky waste  | 15,000            | -                 | -                | -                | -            |
| 11  | Savings in the Museum Service   | 0                 | 25,000            | -                | -                | -            |
| 12  | Implementation of green waste charges proposals (setup cost in 2023/24)   | (240,060)         | 627,000           | -                | -                | -            |
| 13  | <b>Efficiency Measures</b>  | <b>50,473,301</b> | <b>11,621,057</b> | <b>9,200,826</b> | <b>674,872</b>   | <b>2,640</b> |
| 14  | <b>People Directorate - Efficiencies</b>  | <b>18,550,005</b> | <b>7,807,127</b>  | <b>7,915,136</b> | <b>3,121,424</b> | -            |
| 15  | Expand and enhance reablement model to improve people's outcomes  | 3,844,860         | 3,922,130         | 4,000,570        | -                | -            |

| ref |  | 2023/24   | 2024/25   | 2025/26   | 2026/27   | 2027/28 |
|-----|--|-----------|-----------|-----------|-----------|---------|
|     | get better and to remain independent.  |           |           |           |           |         |
| 16  | Review care at home model  | 2,759,563 | -         | -         | -         | -       |
| 17  | Review client contributions in line with national guidance   | 1,800,000 | -         | -         | -         | -       |
| 18  | Managing predicted growth  | 1,300,000 | -         | -         | -         | -       |
| 19  | Removal of budgets for vacant posts (avg. 3%)  | 1,275,377 | -         | -         | -         | -       |
| 20  | Increase numbers of local foster carers to enable reductions in independent foster care costs (local foster carers, engaged by the Council, are less costly than independent foster carers)                    | 1,000,000 | 200,000   | -         | -         | -       |
| 21  | Review supported living model  | 1,000,000 | -         | -         | -         | -       |
| 22  | Reduce numbers of childcare placements in long-term residential placements, where appropriate ('Stepping Stones' project, implementing the proven North Yorkshire model of children's social care management). | 1,000,000 | 2,023,997 | 3,180,566 | 2,891,424 | -       |
| 23  | Prevent the need for residential care  | 832,198   | -         | -         | -         | -       |
| 24  | Deliver efficiencies across the ISF model  | 500,000   | -         | -         | -         | -       |
| 25  | Review of support contracts  | 346,620   | -         | -         | -         | -       |
| 26  | Decreased use of B&B accommodation as temporary accommodation for 2022/23 (including associated costs) in view of current action to reduce or divert demand.   | 344,000   | -         | -         | -         | -       |
| 27  | Develop flexible support model to support people to remain at home   | 325,000   | 522,000   | 520,000   | -         | -       |
| 28  | Reduce transport costs through improved efficiencies   | 300,000   | -         | -         | -         | -       |
| 29  | Review exceptionally high-cost children's residential care placements to identify the optimum care arrangements for each child,  | 250,000   | 250,000   | -         | -         | -       |



| ref |   | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|-----|---|---------|---------|---------|---------|---------|
|     | reflecting their changing levels of need.   |         |         |         |         |         |
| 30  | Review care at home model.  | 240,437 | -       | -       | -       | -       |
| 31  | Review the Council contribution to maintained school redundancy costs.  | 180,000 | -       | -       | -       | -       |
| 32  | Review the Independent Living Service to ensure value for money.  | 150,000 | -       | -       | -       | -       |
| 33  | Increase joint training opportunities.  | 150,000 | 150,000 | -       | -       | -       |
| 34  | use external grant funding to support staff costs   | 136,680 | -       | -       | -       | -       |
| 35  | Review of arrangements for personal budgets   | 110,000 | 110,000 | 110,000 | 110,000 | -       |
| 36  | Increase private sector housing fees  | 100,000 | -       | -       | -       | -       |
| 37  | review the 'Enable' services budget   | 88,000  | -       | -       | -       | -       |
| 38  | Review funding arrangements across Learning and Skills to maximise the use of the Central School Services Block (CSSB) grant funding, in line with Government guidance, to rebalance the Council contribution to the service. | 86,180  | -       | -       | -       | -       |
| 39  | Review grants (non-statutory)   | 80,000  | 50,000  | -       | -       | -       |
| 40  | Review of Day Services model.   | 75,000  | -       | -       | -       | -       |
| 41  | Improve value for money of housing security provision   | 74,000  | -       | -       | -       | -       |
| 42  | Review service model to deliver wellbeing training and capacity building offer.   | 66,610  | -       | -       | -       | -       |
| 43  | Charge for sourcing care to self funders  | 43,000  | 59,000  | 74,000  | 90,000  | -       |
| 44  | Optimise Occupational Therapy service delivery by ending 'just checking' contract.  | 30,000  | -       | -       | -       | -       |
| 45  | Review the 'Enhance' contract   | 21,000  | -       | -       | -       | -       |
| 46  | Review of Enable  | 12,000  | -       | -       | -       | -       |
| 47  | Review of care packages jointly funded with health services   | 10,000  | 20,000  | 30,000  | 30,000  | -       |
| 48  | Contract review for supported living  | 7,480   | -       | -       | -       | -       |

| ref |  | 2023/24           | 2024/25       | 2025/26          | 2026/27            | 2027/28         |
|-----|--|-------------------|---------------|------------------|--------------------|-----------------|
| 49  | Increase Fees and Charges relating to Day Services   | 7,000             | -             | -                | -                  | -               |
| 50  | Remove use of external venues  | 5,000             | -             | -                | -                  | -               |
| 51  | Reduce social care demand through family support and early interventions to prevent crisis.  | 0                 | 500,000       | -                | -                  | -               |
| 52  | <b>Place Directorate - Efficiencies</b>  | <b>13,730,730</b> | <b>65,930</b> | <b>1,120,690</b> | <b>- 1,773,260</b> | <b>- 47,360</b> |
| 53  | Review PFI contract costs to secure greater efficiency   | 4,500,000         | -             | -                | -                  | -               |
| 54  | Charge staffing costs to capital budgets where possible and appropriate (capital project support or transformation of revenue services).     | 2,019,310         | -             | 424,600          | 1,547,360          | 47,360          |
| 55  | Increased charges for car parking including changes to permit schemes and some reduction in concessions.                                     | 2,000,000         | 1,561,000     | -                | -                  | -               |
| 56  | Once-only use of adverse weather reserves while other savings plans are put into place.  | 1,561,000         | 1,561,000     | -                | -                  | -               |
| 57  | Review application of grant funding.   | 976,000           | 976,000       | -                | -                  | -               |
| 58  | Removal of budgets for vacant posts (avg. 3%)  | 869,590           | -             | -                | -                  | -               |
| 59  | Fees and charges increased in line with cost inflation.  | 426,060           | -             | -                | -                  | -               |
| 60  | Shopping Centres - Pride Hill and Riverside base budget reduced as not required once the demolition works begin. To be reinstated in 2026-27 | 265,450           | 265,450       | -                | 530,900            | -               |
| 61  | Reshape Planning Services to become closer to cost neutral by 2025/26  | 200,000           | 200,000       | 200,000          | 200,000            | -               |
| 62  | Public Health funding to increase health improvement benefits through leisure services.  | 140,000           | -             | -                | -                  | -               |
| 63  | Repurposing unclaimed developer bonds.   | 125,000           | 125,000       | -                | -                  | -               |
| 64  | Revised service structure for Communities, Leisure and Tourism functions.  | 105,000           | 48,000        | 8,000            | 25,000             | -               |
| 65  | Revise Shire Services cleaning contracts to  | 100,000           | -             | -                | -                  | -               |

| ref | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|-----|---------|---------|---------|---------|---------|
|     |         |         |         |         |         |
|     |         |         |         |         |         |
|     |         |         |         |         |         |
|     |         |         |         |         |         |
| 66  | 100,000 | -       | -       | -       | -       |
| 67  | 80,000  | 200,000 | -       | -       | -       |
| 68  | 69,300  | -       | -       | -       | -       |
| 69  | 60,000  | -       | -       | -       | -       |
| 70  | 50,000  | 100,000 | 93,290  | -       | -       |
| 71  | 30,000  | 40,000  | 50,000  | 50,000  | -       |
| 72  | 30,000  | -       | -       | 30,000  | -       |
| 73  | 25,000  | 25,000  | 25,000  | 25,000  | -       |
| 74  | 20,000  | 20,000  | -       | -       | -       |
| 75  | 10,000  | 5,000   | 5,000   | 5,000   | -       |
| 76  | 10,000  | 10,000  | 10,000  | 10,000  | -       |
| 77  | 0       | 200,000 | -       | -       | -       |
| 78  | 0       | 58,480  | -       | -       | -       |
| 79  | 0       | -       | 100,000 | -       | -       |
| 80  | 0       | 5,000   | 10,000  | 10,000  | -       |

| ref       |  | 2023/24           | 2024/25          | 2025/26        | 2026/27        | 2027/28       |
|-----------|--|-------------------|------------------|----------------|----------------|---------------|
| 81        | Self-issue software reducing library costs   | 0                 | 35,000           | -              | -              | -             |
| 82        | Increased income generation within Council-operated Leisure Centres  | 0                 | 5,000            | 10,000         | 10,000         | -             |
| 83        | Cost savings in leisure services   | 0                 | -                | 500,000        | -              | -             |
| 84        | Libraries - Implementation of changes under the Library Transformation Project   | 0                 | 50,000           | -              | -              | -             |
| 85        | Efficiency savings within Highways Operations  | 0                 | -                | 500,000        | -              | -             |
| 86        | Reduce horticultural contract costs.   | 0                 | -                | 150,000        | -              | -             |
| 87        | Change to staff charges to CDL/Cornovii (reduced charges to CDL, increased costs to the Council)   | (40,980)          | -                | -              | -              | -             |
| <b>88</b> | <b>Whole Organisation Savings (to be allocated)</b>  | <b>13,250,000</b> | <b>1,000,000</b> | <b>-</b>       | <b>-</b>       | <b>-</b>      |
| 89        | Target Operating Model - staffing budget turnover and wastage increase by 5% (year-end review).  | 5,000,000         | -                | -              | -              | -             |
| 90        | Target Operating Model - sixty projects already identified but benefits not yet costed; estimated benefits of £0.050m per project.           | 3,000,000         | -                | -              | -              | -             |
| 91        | Target Operating Model - Transformation partner delivers 4 x end-to-end process reviews yielding £0.5m per project.                          | 2,000,000         | -                | -              | -              | -             |
| 92        | Increase interest receivable budgets based on changing bank rates  | 1,300,000         | -                | -              | -              | -             |
| 93        | Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management | 1,000,000         | 1,000,000        | -              | -              | -             |
| 94        | Budget review – treasury investment returns.   | 700,000           | -                | -              | -              | -             |
| 95        | Contract Spend Analysis and Contract Management Review   | 250,000           | -                | -              | -              | -             |
| 96        | Increase coverage for non-cash payments (removed)  | 0                 | -                | -              | -              | -             |
| <b>97</b> | <b>Resources Directorate - Efficiencies</b>  | <b>4,476,452</b>  | <b>2,748,000</b> | <b>165,000</b> | <b>673,292</b> | <b>50,000</b> |

| ref |  | 2023/24   | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|-----|--|-----------|---------|---------|---------|---------|
| 98  | Review of customer contact teams across the Council - Channel shifting to promote more streamlined and cost-efficient responses.                     | 1,112,000 | -       | 115,000 | -       | -       |
| 99  | Reduce housing benefit subsidy loss arising from use of expensive bed and breakfast accommodation (reverses budget growth from 2021/22 into 2022/23) | 1,000,000 | -       | -       | -       | -       |
| 100 | Removal of budgets for vacant posts (avg. 3%)  | 704,810   | -       | -       | -       | -       |
| 101 | New Operating Model - Charge staffing costs delivering transformation to capital budgets where possible and appropriate (Workforce and Improvement). | 515,222   | -       | -       | 515,222 | -       |
| 102 | Legal and Governance restructure to include deletion of some vacant posts and the movement of others into transformation                             | 231,850   | -       | -       | -       | -       |
| 103 | New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Finance and IT).                                      | 208,070   | -       | -       | 208,070 | -       |
| 104 | Income savings from 22/23 - 26/27 Capital Strategy (ICT Equipment Replacement Fund)  | 130,000   | -       | -       | -       | -       |
| 105 | Contract rebates and spending reductions   | 129,500   | -       | -       | -       | -       |
| 106 | Operating Model - Digital County - Reduce/remove uneconomical Service Delivery   | 100,000   | -       | -       | -       | -       |
| 107 | Review of single person discount and housing benefit applications against data warehouse to reduce error and fraud.                                  | 100,000   | 50,000  | 50,000  | 50,000  | 50,000  |
| 108 | CCTV provision and management - Seek partner funding contributions   | 75,000    | -       | -       | -       | -       |
| 109 | Review of ICT contracts to streamline supplier use   | 50,000    | -       | -       | -       | -       |
| 110 | Full recovery of legal and other recovery costs for  | 46,000    | -       | -       | -       | -       |

| ref |  | 2023/24           | 2024/25           | 2025/26          | 2026/27        | 2027/28      |
|-----|--|-------------------|-------------------|------------------|----------------|--------------|
|     | unpaid council tax and business rates  |                   |                   |                  |                |              |
| 111 | Review use of Customer Relationship Management system  | 25,000            | -                 | -                | -              | -            |
| 112 | Increase fees and charges in line with cost inflation  | 21,000            | -                 | -                | -              | -            |
| 113 | Reduce use of printers and copiers (Multi-Functional Devices - MFDs)                                   | 12,000            | -                 | -                | -              | -            |
| 114 | Complete migration to SharePoint document management and sharing software                              | 10,000            | -                 | -                | -              | -            |
| 115 | SMS reminder - Debt recovery (council tax)   | 6,000             | -                 | -                | -              | -            |
| 116 | Additional 100% premium on vacant properties   | 0                 | 510,000           | -                | -              | -            |
| 117 | Additional 100% levy on second homes   | 0                 | 2,200,000         | -                | -              | -            |
| 118 | Income generation within Audit Services (target level in 2024/25 reduced from previously agreed level) | 0                 | - 12,000          | -                | -              | -            |
| 119 | Getting it right - leadership development – Moved, see line 93   | 0                 | -                 | -                | -              | -            |
| 120 | <b>Health &amp; Wellbeing Directorate - Efficiencies **</b>  | <b>466,114</b>    | <b>-</b>          | <b>-</b>         | <b>-</b>       | <b>-</b>     |
| 121 | Review application of grant funds  | 218,930           | -                 | -                | -              | -            |
| 122 | Additional capacity to support transformation programme  | 128,960           | -                 | -                | -              | -            |
| 123 | Removal of budgets for vacant posts (avg. 3%)  | 73,224            | -                 | -                | -              | -            |
| 124 | Review future model of pest control delivery   | 40,000            | -                 | -                | -              | -            |
| 125 | Reduce the cost by providing the minimum statutory duty for Public Health Funerals..                   | 5,000             | -                 | -                | -              | -            |
| 126 | <b>Total Savings Proposals</b>   | <b>50,650,241</b> | <b>12,685,057</b> | <b>9,463,826</b> | <b>674,872</b> | <b>2,640</b> |

*\*\* Health & Wellbeing total excludes £1.155m of transformational programmes delivered by Public Health to deliver efficiency savings in other directorates budgets.*



Committee and Date

Performance Management  
Scrutiny Committee  
11<sup>th</sup> January 2023

Item

Public

## Alternative Budget Proposals 2023/24

**Responsible  
Officer**

James Walton

e-mail: james.walton@shropshire.gov.uk      Tel: 01743 258915

### 1. Synopsis

A revised approach to alternative budgets was agreed in September by Full Council. This report sets out the alternative budget proposals of the opposition groups on the council further to their manifesto and policy priorities and in line with that previous report.

### 2. Executive Summary

- 2.1. Attached to this report are 3 appendices, setting out alternative budget proposals prepared by three opposition groups within the Council. These proposals are to be considered for possible inclusion within the Cabinet's budget proposals to be set out at its meeting of 15 February.
- 2.2. Alternative budget proposals have been reviewed by finance officers and relevant officers from service departments who have advised on the likely impact and feasibility of the proposals brought forward (in the same way as they would advise Portfolio Holders on their budget proposals to be discussed by Cabinet).
- 2.3. Should any of the attached proposals, wholly or partially, become part of the Cabinet's budget proposals recommended to Council, they will effectively become part of the Cabinet's own budget proposals and will then be considered and adopted, or not, alongside the other proposals brought to Council, including the council tax proposals. (They will not be considered as separate elements of the Cabinet's budget).

### **3. Recommendations**

That Performance Management and Scrutiny Committee

- 3.1. Invites Opposition Group Leaders to present their alternative budget proposals to the committee.
- 3.2. Invites the committee to discuss the proposals presented.
- 3.3. Reports the overall discussion and the proposals presented to Cabinet to be considered for possible inclusion in the budget to be presented by the Leader to Council in March.

## **REPORT**

### **4. Risk Assessment and Opportunities Appraisal**

- 4.1. This will be prepared for separate proposals should they be included in the budget proposals taken forward.

### **5. Financial Implications**

- 5.1. The subject of the report

### **6. Climate Change Appraisal**

- 6.1. No direct impact arising from the report. Decisions with potential budgetary impact will require more detailed review as part of separate decisions, either within the Cabinet's Budget Report or as part of separate policy decisions.

### **7. Background**

- 7.1. At its meeting of 22 September, Council agreed to a revised approach to alternative budgets. These proposals were agreed further to discussion at 4 May Performance Management and Scrutiny Committee and 7 September Cabinet meetings.
- 7.2. The revised process for the alternative budget proposals has been followed as set out in that report:
  - 31 October – Template sent out to Opposition Group Leaders
  - 25 November – Templates received back, and proposals reviewed by officers in relevant service areas



- 16 December – Templates confirmed further to officer review and returned to Opposition Group Leaders (21 December)
- 3-4 January – final review and clearance of papers prior to publication

7.3. The next steps will be for these proposals to be reviewed by PMSC as part of this meeting, and then received by Cabinet 18 January. Cabinet will bring forward its proposals for the 2023/24 budget on 15 February, with recommendations for its approval presented to Full Council on 2 March.

7.4. The proposals of Leader and the Portfolio Holder for Resources, working with the cabinet, were published in outline as part of the December update to the Medium Term Financial Strategy, received by Cabinet on 14 December. These form the basis of the public consultation now available on the Council website.

7.5. Alternative budget proposals were prepared in isolation from each other and from the preparation of the Cabinet’s budget proposals. Proposals have followed the format common in other councils, by which budget options which support the policy objectives of the opposition groups are put forward. These then have cost or savings estimates attached to them along with feasibility appraisals. This is the same process as is adopted for the Cabinet’s budget proposals.

7.6. The three attachments to this report set out proposals received from the Opposition Group Leaders. Where possible, estimated costs and benefits have been identified by officers in the same way that costs and benefits are identified for all budget proposals. Overall proposals are summarised in the table below.

| Political Group                     | Estimated revenue costs / (benefits) in 2023/24 | Estimated capital costs / (benefits) in 2023/24 |
|-------------------------------------|---|---|
| Liberal Democrat Party (Appendix 2) | £20.85m   | £60.2m  |
| Labour Party (appendix 3)           | £20.19m   | £2.0m   |
| Green Party (Appendix 4)            | £19.2m  | £5.0m   |

7.7. This report presents 4 attachments, including the Administration’s own proposals (also published as the December MTFs update), also one for each of the Liberal Democrat, Labour, and Green political groups of the Council. These attachments set out the alternative budget proposals of each group, for the Cabinet to consider for inclusion within their own budget. The Labour group proposals were withdrawn.

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

**Alternative Budget proposals:**

[Agenda for Performance Management Scrutiny Committee on Wednesday, 4th May, 2022, 2.00 pm – Shropshire Council](#)

[Agenda for Cabinet on Wednesday, 7th September, 2022, 10.30 am – Shropshire Council](#)

[Agenda for Council on Thursday, 22nd September, 2022, 10.00 am – Shropshire Council](#)

**December 2022 MTFS update and budget savings proposals:**

[Agenda for Cabinet on Wednesday, 14th December, 2022, 10.30 am – Shropshire Council](#)

**Cabinet Member (Portfolio Holder)**

**Local Member**

**Appendices**

Appendix 1 – December MTFS update report presented to Cabinet (effectively the draft budget proposals of the Administration)

Appendix 2 – Liberal Democrat group alternative budget proposals

Appendix 3 – Green Party group alternative budget proposals

Appendix 4 – Labour group alternative budget proposals

**Alternative Budget Proposals**

**Please complete all columns as follows**

- a) Please summarise the proposals setting out the current arrangement and the proposed revised arrangement.
- b) Costs - please provide any information on costs. Please contact Cheryl Sedgley or Ben Jay for assistance in making cost estimates.
- c) Please contact Cheryl Sedgley or Ben Jay for assistance in assessing one-off/base budget
- d) Please indicate your estimate of benefits (these do not have to be financial)
- e) Please indicate your proposed source of
- f) Service advice - follows from 28 Nov-9 Dec
- g) Risks and benefits - please add relevant risks and benefits associated with the proposal.

**To be completed and returned to Cheryl Sedgley no later than Friday 25 November**

Service review (for operational viability) follows, 29 Nov-9 Dec  
 Collated proposals will be presented to PMSC (11 Jan) and Cabinet (18 Jan)

Financial year: **2023/24**  
 Political Group: **Labour Party**

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| Ref No. | a) Brief Description of the Proposal   | 2023/24 impact    |                              | b) Estimated Cost   |  | c) One off for 23/24 or Ongoing Base Budget | d) Estimated benefits   | e) How will this proposal be funded?   | f) Service advice on the proposal (complete 28 Nov-9 Dec)   | g) Risks/implications associated with proposal   |
|---------|--|-------------------|------------------------------|---|--|---|---|--|---|--|
|         |  | Revenue (£)       | Capital (£)                  | Revenue (£)   | Capital (£)  |   |   |  |   |  |
|         | <b>total proposed cost/(benefit)</b>   | <b>20,192,000</b> | <b>2,000,000</b>             |   |  |   |   |  |   |  |
| 1       | <b>Cancel North West Relief Road</b> project (absorb lack of grants; reallocate savings; continue with Oxon link and associated land sales, council tax collections etc)   | 20,000,000        | (only future cost avoidance) | cost of revenue write off   | potential gross saving c£40m (but see also service advice indicating minimum £20m cost of works to date plus contract breakage costs, also clawback of £58m government and LEP grants) | ongoing                                     | End controversial project with 5,000 objections, save officer time, resource and ongoing budgets to divert into alternative investments (see 5) for environmentally sustainable income generation. Reputational benefit to Council of re-prioritising spend according to need.  | Any revenue costs written off to revenue budgets will require funding and cannot be deferred and charged to capital. | The cancellation of the NWRR would be operationally challenging. It would result in abortive costs of c£20m (representing expenditure to date and contractual commitments). However, breakage costs and changes to actual contract fees in the meantime is likely to make this a larger sum, which is not yet possible to estimate.<br><br>Operationally, OLR is not possible to separate as a distinct project to be continued on its own, although the funding continues to be reported separately and can be disaggregated | Loss of economic gross value added of c £290m per year.<br><br>Loss of house building opportunities include loss of future council tax receipts and affordable homes.<br><br>Potential risk to future government funding for similar types of schemes. |
| 2       | <b>Introduce "market forces" uplift to increase Social Worker salaries</b> to match neighbouring authorities (+£4K per post) , improve T&Cs and offer a golden handshake of £5K per post (with 12 month handcuffs) for Social Workers; reduce reliance on agency staff: net saving £15k per post | (93,000)          | nil                          | The cost of providing a market forces uplift is £0.723m. The saving generated from removing agency workers, covering vacant posts would be £0.630m. Therefore this proposal would |  | Ongoing Base Budget                         | Ensure retention of existing social workers and help recruitment into vacancies in order to reduce reliance on agency staffing. Benefits to quality of service delivery (safety for most vulnerable residents) and staff morale/motivation/retention to invest in our workforce when under pressure   | The reduced cost of agency fees will be expected to fund the salary uplift.  | Operationally feasible. The cost of providing a market forces uplift is £0.723m. The saving generated from removing agency workers, covering vacant posts would be £0.630m. Therefore this proposal would have a net cost to the revenue budget of £0.093m.   | Failure to recruit permanent staff   |
| 3       | To overcome the current delays in approving ECHPs due to the lack of Ed Psychs, we want to <b>appoint 2 x Education psychologists to support schools in SEN requests</b> for funded support for children struggling to access education successfully. Market salary £45K + 27% oncosts           | net nil           | nil                          | cost £104,000 subsidised from reduced delivery costs  |  | Ongoing Base Budget                         | Delays in Ed Psych assessments for SEN support requests are causing distress to the young people and causing more expensive interventions once finally allocated. Additional resource should speed up support, which when applied sooner will be lower cost (lower intensity support) and reduce distress to the children, by supporting them sooner. Social benefit to reduce distress to vulnerable children and their struggling families; and school staff morale currently struggling to manage during delay | medium term savings (reduced acute delivery) will offset original investment   | The cost of 2 Education Psychologists is £0.104m (at bottom of grade).  | ability to recruit actual level of cashable savings delivered  |

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| 4 | <b>Establish a new company, or a division within Cornovoi developments, to specialise in delivering energy efficiency retrofitting of properties</b> both owned by the Council (to reduce bills) and as a traded service for partners, businesses and residents, working in partnership with Marches Energy Agency, to secure external funding grants to subsidise  | 250,000 | nil       | Based on similar teams elsewhere, a team could be established within CDL at this cost, with potential future expansion and income. | Nil   | Ongoing Base Budget | Reduced carbon footprint to achieve net zero and reduced energy bills /costs during time of energy insecurity and rising costs; increased external funding; partnership working; income generation; developing supply chain and skills locally  | 1. Reduced energy bills for SC; 2. Traded service income generation; 3. MEA grant funding             | Difficult to accurately quantify level of savings/income to be identified from this without detailed estimation. Current industry advice is that retrofitting efficient energy approaches into existing properties is substantially more expensive than including them as part of new-build solutions. However, a team could be established with a remit to explore options with partners (eg CDL, WME) and identify a possible business model  | Risk that costs exceed cashable benefits.   |
| 5 | <b>Install solar panel PV arrays on Council sites.</b> Starting with a list of Council assets, ordered by size of energy bill, identify those 2-3 buildings or sites with largest energy use (e.g. Quarry pool, children's homes; care home, market hall, Severn Theatre, office, car parks) and explore Rol of installing PVs to reduce energy bills on site.  | TBC     | TBC       | net saving in year 1 or 2: Generate income / savings from energy bills   | TBC - subject to individual property reviews. | Ongoing Base Budget | Increased renewable energy production; reduced carbon footprint to achieve net zero and reduced energy bills /costs during time of energy insecurity and rising costs. Reputational benefits to Council in showing leadership in environmental sustainability   | invest to save proposal - original investment paid off from energy savings; if needed from SALIX/PWLB | The Council already has a project to instal solar PV on all buildings deemed suitable for the install. This proposal may be impacted by the limited structural support in buildings for solar PVs and so some builoding may require major investment in roof structures prior to installation. Buildings are being prioritised through a combination of factors including   | Risk of volatile energy proces.   |
| 6 | [replaced as overlapped with item 9]  |         |           |  |   |                     |   |   |   |   |
| 7 | <b>Employ 1 x additional Council tax officer to focus</b> on cross referencing new build houses and extensions to homes and businesses (by following up on planning consents) they could<br>a) push building control certificates as an income generator @£242 ea and<br>b) assess homes for <b>uprated Council Tax bandings to increase CT income.</b><br>Salary £32,909 plus 27% on costs = £41,794. If they secure a minimum of 2 building control certificates and banding uplifts per week this would add 100 x £650 differential = £65,000 and cover their salary with income of £25K.<br>Not including businesses and new builds which would add £2-3k per hous - the post would easily generate more income overall.<br><br>Council Tax is liable from the point of occupancy so can be backdated; whereas the extensions uplift is liable from the date of building control certificate. | 35,000  |           | Income to be generated assumed 2 additional properties per week, which is challenging in current economic circumstances.           | Generate income: £23K p.a.                    | Ongoing Base Budget | Ensure that those residents and businesses with additional income to be able to expand, extend and invest in their properties, are paying the correct level of Council Tax, which should in most cases lead to moving up a Council tax band. These wealthier individuals can contribute more into the Council's budget, to help carry some of the burden in our budget deficit. | costs estimated as £35k per year, with potential additional income to ofset this in part.             | The proposal is partially feasible, but the option to backdate council tax and to aply an increased band is not possible without the sale of the property, which will reduce estimated benefit.<br><br>The Council currently employ 3 visiting officers who flag any extensions or potential changes to bandings to the Valuation Office. It should be noted though that the change in banding only takes effect when the property is sold, not when an extension is developed, therefore realisation of income may not be as soon as anticipated. Therefore cannot confirm the level of income to be achieved as will also depend on the level of new builds and extensions that do not have a building control certificate. The cost of the proposal is estimated at £0.035m. | Risk that identified proprties cannot easily be traslated into a legal council tax charge.<br><br>There are c 148,000 chargeable properties in the county. 100 properties amounts to only a small percentage, but will require considerable work to secure. |
| 8 | 20 is plenty scheme across towns and residential areas in Shropshire: TRO and install signage   |         | 2,000,000 |  | cost  | One Off for 23/24   | reduce accidents and fatalities; increase active travel; reduce highways repairs  | Additional capital spending   | Already investing £1.5m in total within capital programme. £2m cost assumed for this if only planning TRO and signage, however costs have changed in a number of areas in recent months and some indications are that the proposal may cost more  |   |

|   |   |         |    |  |    |                     |  |                           |   |   |
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| 9 | Flat rate Council Tax Rebate of £70 for residents in receipt of benefits, in A & B band properties (intended to remove the pressure caused by the proposed 5% CT increase). | net nil | NA | <p>Estimated cost of rebating the proposed council tax increase for households in bands A and B in receipt of benefits is c£700k.</p> <p>Costs to be funded in the longer term through the revenue receiveable from increased charges on second homes (estimated at £2.2m). In the 23/24 year, to be funded from other reserves, which can then be replenished in the subsequent year.</p> | NA | Ongoing Base Budget | limiting impacts of the cost of living crisis on more vulnerable households. | charge to revenue budgets | <p>The government has published a proposal for a council tax rebate of £25 for lower bands on benefits. A flat rate reimbursement is easier to put into operation than a rebate on the 5% increase, due to the number of factors involved in the calculation.</p> <p>Based on the estimated cost of rebating the 5% increase, an alternative proposal would be to extend the government's scheme of a £25 rebate to £70-£75. This is operationally more achievable, but would also both extend over and above the government scheme, and reflect the 5% increase more fully. Again, the increased second homes income could be used as a funding source, with the caveats set out above</p> | Risk of raising bills which are then left unpaid (properly or not) leading to additional costs of collection. |
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## PERFORMANCE MANAGEMENT SCRUTINY COMMITTEE

11 JANUARY 2022

### PROPOSALS FOR TASK AND FINISH GROUP

#### **Bullying & Harassment Policy – Scrutiny Review/Task & Finish Group**

##### **Background**

A request has been made by Group Leaders for Scrutiny to review the current policy in place relating to bullying and harassment of council employees by third parties and the protections that are put in place when this occurs.

##### **Proposal**

1. A task and finish group to be established to review the current policy and discuss/propose amendments and enhancements to the policy.
2. Best practice, policy, benchmarking and advice from other Local Authorities, West Midlands Employers and professional bodies i.e. Chartered Institute of Personnel & Development (CIPD) will be sought to inform proposals.
3. The group to provide recommendations to Performance Management Scrutiny Committee at the next available meeting.
4. Recommendations will then be put forward to the Employee Joint Consultative Committee (EJCC) for final sign off (in line with the employee policy sign off arrangements outlined in the constitution).

##### **Membership**

- Members nominated by Group Leaders
- Assistant Director – Workforce & Improvement
- HR/OD Manager
- Assistant Director – Legal & Governance
- Recognised Trade Union Representatives (Unison, GMB, Unite)

##### **Timescale**

The Task and Finish Group to meet during January and February and make recommendations to PMSC at the next available meeting.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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