



Committee and date

Council
26th July 2018

FINANCIAL OUTTURN 2017/18 - REVISED

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1. Summary

- 1.1 This report provides details of the revenue and capital outturn position for Shropshire Council for 2017/18 and provides a summary of:
- The revenue outturn for each service area with a commentary of the main variations and an outline of how the position has changed since Quarter 3.
 - The movements in the Council's General Fund balance.
 - The Council's reserves and provisions.
 - The capital outturn for each service area with a commentary of the main variations and the budget slipped for 2017/18.
- 1.2 Please note that the position has changed from the final outturn reported at Cabinet on 23rd May 2018. At this point an overall underspend of £0.738m was reported. This report now sets out a revised overall underspend of £0.613m. The movement is due to a revised distribution figure in relation to the Shrewsbury Shopping Centres. This updated position is reflected in the Statement of Accounts which were published in draft on 31st May 2018. Furthermore, the Portfolio Holder for Finance informed Cabinet on 23 May that the final position may change before 31 May, and this was accepted. This finalised position has been reported to Cabinet, informally, and will be reported to Full Council on 26 July 2018.
- 1.3 The Council's revenue position for 2017/18 has improved by £0.471m when compared to projections made at Quarter 3 resulting in a net underspend of £0.529m, a variance of 0.09% on the gross budget. This improvement has been delivered as a result of variances across a number of Council services although the majority of these are not within the base budget and therefore will not be available to reduce the funding gap in future years. It should be noted however, that within this position expenditure on Environmental Maintenance as a result of severe weather in the last month of the financial year far exceeded expectations.
- 1.4 The outturn on non controllable insurance is a small over recovery of £0.083m. When added to the overall underspend the total adjustment to the general fund is a contribution of £0.613m
- 1.5 The outturn capital expenditure for 2017/18 is £49.608m, representing 83% of the re-profiled budget of £59.748m. All £10.140m of this underspend has been carried forward to the 2018/19 programme.

2. Recommendations

It is recommended that Council:

- A. *Note that the Outturn for the Revenue Budget for 2017/18 is an underspend of £0.529m, this represents 0.09% of the original gross budget of £563.3m.*
- B. *Note that the level of general balance after adjusting for the underspend and insurance position stands at £15.311m, which is above the anticipated level assessed in February 2017.*
- C. *Note that the Outturn for the Housing Revenue Account for 2017/18 is an underspend of £0.007m and the level of the Housing Revenue Account reserve stands at £8.225m (2016/17 £9.031m).*
- D. *Note the increase in the level of Earmarked Reserves and Provisions (excluding delegated school balances) of £8.026m in 2017/18 and the reasons for this.*
- E. *Note that the level of school balances stand at £5.381m (2016/17 £6.280m).*
- F. *Approve net budget variations of £1.472m to the 2017/18 capital programme, detailed in Appendix 5/Table 11 and the re-profiled 2017/18 capital budget of £59.748m.*
- G. *Approve the re-profiled capital budgets of £61.795m for 2018/19, including slippage of £10.140m from 2017/18, £25.986m for 2019/20 and £15.568m for 2020/21 as detailed in Appendix 5 /Table 15.*
- H. *Accept the outturn expenditure set out in Appendix 5 of £49.608m, representing 83% of the revised capital budget for 2017/18.*
- I. *Approve retaining a balance of capital receipts set aside of £20.857m as at 31st March 2018 to generate a one-off Minimum Revenue Provision saving of £0.485m in 2018/19.*

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 Details of the potential risks affecting the balances and financial health of the Council are detailed within the report. Each variation from budget is also RAG rated to confirm the level of risk to the Council's balances.

4. Financial Implications

- 4.1 This report is based on the financial outturn of the Council's revenue and capital budget for 2017/18 and therefore considers the effect that the underspend has on the Council's balances.

5. Background

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

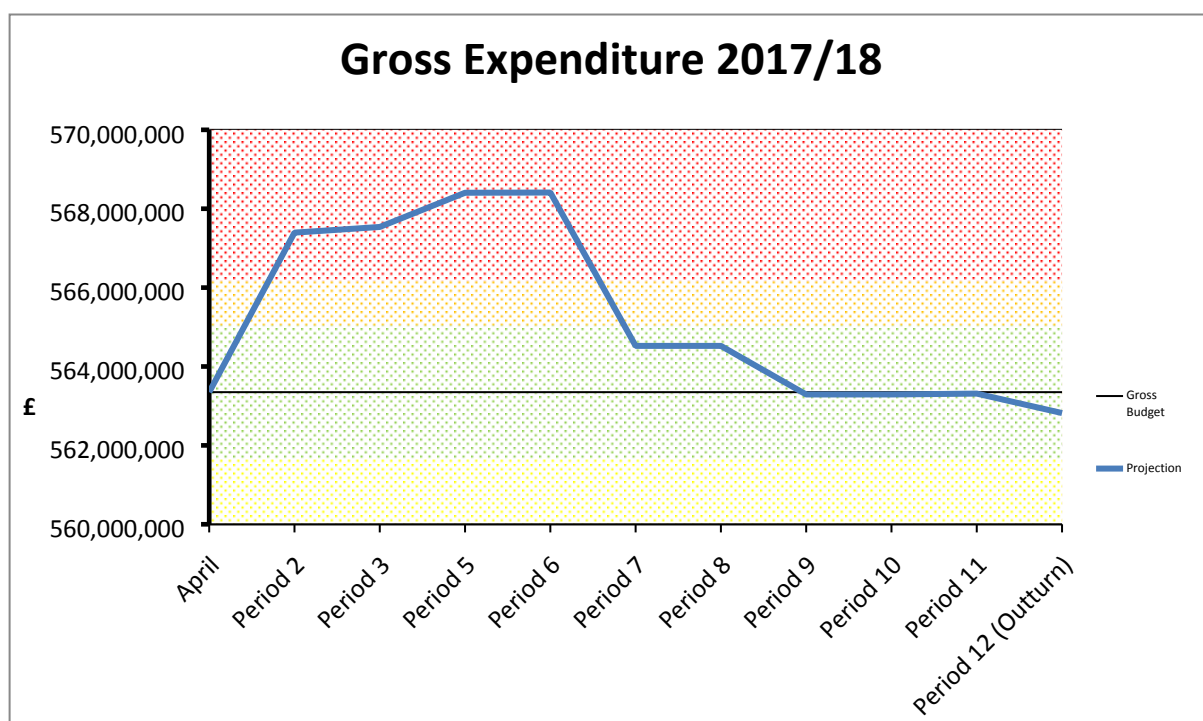
6. Revenue Outturn Position

- 6.1 The final outturn for 2017/18 shows overall net controllable revenue expenditure of £205.544m and a controllable underspend of £0.529m. The

overall position for Service areas and Schools' balances is detailed in Table 1 below.

Table 1 – Final Controllable Outturn

	£'000
Original Budget	206,073
Controllable Outturn for 2017/18	205,544
Controllable Underspend for 2017/18	(529)



6.2 The controllable underspend of £0.529m for 2017/18 is presented below by Service Area in Table 2. End of year entries include items of non-controllable spend (e.g. insurance) that are not included within service projections throughout the year. To enable comparison with previous monitoring reports, the non-controllable element of spend has been excluded from the figures presented below to enable a direct comparison to be made between controllable spend at year end, and projections made throughout the year

Table 2: 2017/18 Budget Variations Analysed by Service Area (£'000)

Service Area	Revised Budget £'000	Controllable Outturn £'000	Controllable (Under) / Overspend £'000	RAGY Classification
Adult Services	92,188	91,963	(225)	Y
Children's Services	46,691	51,260	4,569	R
Place & Enterprise	82,948	83,853	905	R
Public Health	5,553	4,736	(816)	Y
Resources & Support	3,584	2,328	(1,256)	Y
Corporate	(24,892)	(28,597)	(3,706)	Y
TOTAL	206,072	205,544	(529)	Y

- 6.3 Services have worked hard throughout the year to deliver a balanced council position overall through the implementation of a spending freeze in the early part of the financial year.
- 6.4 The outturn position has improved by £0.471m since Quarter 3 as a result of further underspends achieved across all service areas within the Council which have offset areas of increased cost. The most significant changes were in the following areas:
- (£0.883m) Customer Involvement – Increased income and cost reduction on IT contracts above that previously advised and savings on MRP expenditure.
 - (£0.395m) Legal, Democratic & Strategy – Reduced cost of elections, additional income and spending freeze savings above that previously advised.
 - (£0.302m) Human Resources – additional income above that previously advised.
 - (£0.384m) Public Protection – Increased income, savings on vacancy management and spending freeze savings above that previously advised.

Offset by:

- £0.814m Environmental Maintenance – significant additional expenditure on winter maintenance and street lighting in the final month of the financial year.
- £0.679m Social Care Operations – Reduced application of iBCF grant against purchasing overspend. iBCF will be carried forward and used against commitments in future years.

Further analysis of the variations to budgets for all service areas is provided within Appendix 1.

7. Savings Delivery

- 7.1. During the year the savings projections are RAG rated in order to establish the deliverability of the savings and any potential impact on the outturn projection for the 2017/18 financial year. The RAG ratings are categorised as follows:

- Red – Savings are not solved on an ongoing basis, nor have they been achieved in the current financial year. These are reflected as unachieved within this monitoring report.
- Amber – Savings have been identified on an ongoing basis in the current financial year, however there is no clear evidence to support the delivery as yet. The projected outturn within this report assumes these savings will be delivered (see 5.3. below).
- Green – Savings have been identified on an ongoing basis in the current financial year, with evidence of delivery.

The final outturn for savings delivery for 2017/18 is shown in Table 3.

Table 3: 2017/18 Savings Proposals – Final outturn

Service Area	Red £'000	Amber £'000	Green £'000	Total Savings £'000
Adult Services	-	-	-	-
Children's Services	1,192	-	998	2,191
Place & Enterprise	884	-	3,191	4,075
Public Health	48	-	321	369
Resources & Support	423	-	2,100	2,524
Corporate	-	-	5,868	5,868
Total Savings	2,547	-	12,479	15,026

The figures presented above show that 83% of the 2017/18 savings target were achieved and rated green with the remainder unachieved and rated Red. Paragraph 6.2 below provides further detail on the Red savings.

- 7.2. Table 4 provides further analysis of savings delivery impact on final position for each service area.
- 7.3. The £2.548m 2017/18 Red savings not delivered are within Educational Support Services, Home to School Transport, Short Breaks and Children's Centres in Children's Services. In Place & Enterprise they are within Corporate Landlord, Car Parks, the Energy Company and the Grey Fleet saving from Transport. In Resources & Support, savings projected not be delivered are within Revenues and Benefits, and are also the result of delays to a restructure within Customer Involvement. More detail on these is provided within the relevant service sections in Appendix 1.
- 7.4. Some of these savings will continue to create pressures in future years and will be added to the relevant Directorate's Savings Delivery target where they will be scrutinised at regular Savings Challenge meetings scheduled to take place with Directors throughout 2018/19. These carried forward targets are listed in table 5 below and their current 2018/19 RAG delivery status is also shown.
- 7.5. In addition to the Red savings pressures a number of ongoing pressures were identified within service areas during the year. £0.463m of these ongoing pressures have arisen as a result of previous years' unachieved savings. £0.735m is within Children's Services and relates to Home to School Transport and Early Help savings where savings cannot be made until 2019/20 at the earliest despite plans in place to achieve the full savings. £0.219m within Resources & Support relates to Multi-Functional Device contracts, Lync telephones and Credit Union savings.
- 7.6. Other ongoing pressures include increased purchasing pressures within social care; residential and foster placements and agency social worker costs within Children's safeguarding; Home to School Transport costs relating to SEND pupils and loss of grant and traded income within Learning & Skills; increased property costs and reduced income within Corporate Landlord; pressures

within Environmental Maintenance reactive maintenance, Highways & Transport bus subsidies and concessionary fares costs; corporate licensing, support and maintenance costs within IT Services, and costs of the Lync system; and income inflation that is not achievable on Corporate budgets.

7.7. Some ongoing savings have been identified to mitigate these pressures and some have been resolved through growth allocations following the growth modelling exercise in the summer of 2017. Table 6 below shows which pressures are likely to continue to impact in 2018/19

Table 4 – Reconciliation of outturn to savings delivery

	Outturn Position 2017/18	Savings Pressure in 2017/18	Ongoing Monitoring Pressures Identified	Ongoing Monitoring Savings Identified	One Off Monitoring Pressures Identified	One Off Monitoring Savings Identified
	£000	£000	£000	£000	£000	£000
Adult Business Support & Development	(679)	-				(679)
Contracts & Provider	(216)	-			117	(333)
Social Care Operations	1,307	-	2,026		8	(727)
Adult Services Management	(174)	-			176	(350)
Housing Health & Wellbeing	(463)	-			112	(575)
Adult Services	(225)	-	2,026	-	413	(2,664)
Learning & Skills	1,390	525	966	(140)	389	(351)
Children's Safeguarding	3,178	667	2,606	-	594	(688)
Children's Services Management	1				1	
Children's Services	4,569	1,192	3,572	(140)	984	(1,039)
Director of Place & Enterprise	13	-	-	-	13	-
Business Enterprise & Commercial Services	287	380	1,233	-	823	(2,150)
Commissioning Support	(140)	-	-	-	-	(140)
Procurement & Contracts	(38)	-	-	-	-	(38)
Economic Development	164	-	-	-	214	(49)
Infrastructure & Communities	619	504	638	-	1,718	(2,241)
Place & Enterprise	905	884	1,871	-	2,768	(4,618)
Public Health	(817)	48	15	-	15	(895)
Customer Involvement	(175)	223	958	-	152	(1,508)
Finance, Governance & Assurance	185	200	199	(80)	391	(525)
Human Resources	(427)	-	54	-	143	(624)
Legal, Democratic & Strategy	(602)	-	-	-	85	(687)
SMB	(237)	-	-	-	-	(237)
Resources & Support	(1,256)	423	1,211	(80)	771	(3,581)
Corporate	(3,705)	-	456	-	1,395	(5,556)
Corporate	(3,705)	-	456	-	1,395	(5,556)
Council	(529)	2,548	9,151	(220)	6,346	(18,352)

Table 5: 2017/18 Carried Forward Savings Targets

Service	Savings Area	£'000
Childrens Services	Home to School Transport	188
	Early Help Hubs	547
Place & Enterprise	Car Parks	200
	Energy Company	10
	Grey Fleet - Council Wide	304
Public Health	Community Safety	48
Resources & Support	Customer Services	223
	Revenues & Benefits	200
TOTAL CARRIED FORWARD SAVINGS TARGETS 2017/18		1,720

Table 6: 2017/18 Pressures arising which are likely to impact in 2018/19

Service	Ongoing Pressure	£'000
Adults Services	Social Care Operations - Purchasing	2,000
Childrens Services	Safeguarding - Placements	311
	Safeguarding - UASCs	176
	Safeguarding - Agency Social Workers	313
	L&S - Loss of DSG Contributions	86
	L&S - Home to School Transport SEN cohort	287
	L&S - Governor Services	28
	L&S - EIS - Elective Home Education Recharge	31
Place & Enterprise	Business Enterprise & Commercial Services - Student Accommodation	185
	Business Enterprise & Commercial Services - Rents Paid and Service Charge Pressures	65
	Business Enterprise & Commercial Services - Corporate Landlord Income Shortfalls	133
	Business Enterprise & Commercial Services - Repairs & Maintenance Pressures	283
Public Health	CCTV	15
Resources & Support	Revs & Bens Agency Staffing	199
Corporate	WME Profit Share Reduction	119
	Inflation costs	338
TOTAL CARRIED FORWARD PRESSURES		4,569

7.8. The Council operates two internal funds to help deliver savings now and into the future. The Invest to save Fund was established in 2014 enabling business cases to be put forward with the aim to generate savings and repay

the investment back into the fund with interest. From an opening balance of £2.0m in 2014, additional investment into and repayments to the fund since have resulted in an opening balance of £3.342m in 2017. In total since the fund was created investment of £1.484m has been approved, of which £0.7m has been spent to date, and repayments totaling £0.711m have been made from projects. The Development Fund was established for similar purposes, but where a proposal would not deliver a direct or short-term return on investment. Spend in year has totaled £0.656m, leaving remaining funds at £1.7m by year end. These funds are an important enabler in helping to deliver savings and relieve demand pressures in 2018/19 and beyond.

8. General Fund Balance

- 8.1. The effect of the forecast outturn position on the Council's reserves is detailed below. The Council's policy on balances is to have a General Fund balance (excluding schools' balances) of between 0.5% and 2% of the gross revenue budget. For 2017/18, the minimum balance required would therefore be £2.817m, although this is no longer considered to be an acceptable guide. The more appropriate risk based target balance for the General Fund, as last calculated for 2017/18 in the Robustness of Estimates and Adequacy of Reserves reported to Council on 23 February 2017, was £13.289m. This figure had been revised downwards reflecting the fact that the Council has undertaken a strategy of only pursuing robust and deliverable savings proposals for this financial year and 2018/19, and has chosen to finance the remaining funding gap through the use of one-off resources.
- 8.2. Based on the current monitoring position, the General Fund balance will be above the required 2017/18 target, as shown in Table 7 below.

Table 7: General Fund Balance as at 31 March 2018

	(£'000)
General Fund Balances as at 1 April 2017	14,698
Over recovery of insurance costs	83
2017/18 Revenue Outturn	529
General Fund Balance at 31 March 2018	15,311

- 8.3. NB: The Financial Strategy approved by Council on February 22 2018 further reviews appropriate risk based targets for the General Fund however, this report focusses on 2018/19 onwards.

9. Housing Revenue Account (Appendix 2)

- 9.1. The Housing Revenue Account (HRA) outturn for 2017/18 shows a deficit of £806k against the target of £814k, giving a £7k variance against the approved budget which represent 0.04% of the gross turnover of £18.1m. During the year the HRA made a direct contribution of £3.2m to part finance the capital

works programme for major repairs and building new affordable homes as part of a planned use of the HRA reserve. As at 31 March 2018 the HRA reserve stood at £8.2m and these funds are available to finance future HRA capital works or for the repayment of HRA debt.

- 9.2. Significant variance in the year included increased collection rate for housing rent which now stands at 99.3% and this has contributed to a favourable variance of £122k (0.7%) of income above target and a consequential saving of £30k against the budgeted bad debt provision. In 2016/17 the HRA adopted component based depreciation in accordance with Government requirements and this has created greater volatility in the depreciation calculation. For 2017/18 the actual depreciation charge was £3.8m which was £171k (4.7%) above the budget. This money is paid into the Major Repairs Reserve and can be utilised to finance HRA capital works.

10. Reserves and Provisions (Appendix 4)

- 10.1. The Council has created a number of specific reserves and provisions to provide for known or anticipated future liabilities and to assist in protecting essential services. Earmarked reserves are balances held for specific items that will occur in the future. Provisions are held to meet expenses that will occur as a result of past events and where a reliable estimate can be made of the obligation.
- 10.2. The overall position for reserves and provisions is set out in the Statement of Accounts 2017/18, however a detailed breakdown of the balances is contained at Appendix 4, with an explanation of each reserve and provision. These figures may be subject to change before the Council's final Statement of Accounts is produced. The change in revenue reserves and provisions are detailed in table 8 below.

Table 8: Movement in Reserves and Provisions 2017/18

Balance Held	Reserves £000	Provisions £000	Bad Debt Provisions £000	Total Reserves & Provisions £000
As at 31 March 2017	63,859	9,815	11,811	85,485
As at 31 March 2018	69,839	11,423	11,344	92,606
Increase/(Decrease)	5,980	1,608	(467)	7,121
Delegated School Balances Movement	(899)	0	0	(899)
Increase/(Decrease) (excluding Delegated School Balances)	6,879	1,608	(467)	8020

- 10.3. In accordance with the financial strategy the Council will be using one off funding to close the funding gap between 2018/19 and 2020/21. This will result in the Financial Strategy Reserve reducing to zero by 2020/21 unless an alternative strategy is followed. Other Earmarked Reserves are expected to fall over the coming years for a number of reasons. It is difficult to project use with any accuracy but balances would not be expected to fall to below £18m in the long term. The estimated future balances on earmarked reserves are as shown in table 9 below:

Table 9: Estimated Future Balances on Earmarked Reserves

£'000	Balance c/f	Estimated Closing Balance		
	2017/18	2018/19	2019/20	2020/21
Financial Strategy Reserve	24,556	17,423	18,572	0
Other Earmarked Reserves	45,283	36,713	23,781	15,850
Provisions	22,767	22,767	22,767	22,767
Total	92,606	76,903	65,120	38,617

Delegated School Balances

- 10.4. The movement in delegated schools' balances are detailed in table 10.

Table 10: Movement in delegated schools' balances 2017/18

	2016/17	2017/18	Increase/ (Decrease)
	£000	£000	£000
Schools:			
- Revenue Balances	4,801	4,051	(750)
- Invested Balances	996	919	(77)
- Extended Schools Grant Balance	699	534	(165)
Sub Total within Schools	6,496	5,504	(992)
Purchasing IT equipment	(185)	(129)	56
Carbon efficiency measures	(31)	0	31
Total Delegated School Balances	(216)	(129)	87

- 10.5. Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion. Of the 116 schools with balances, 104 schools have surplus balances and 12 have deficit balances.
- 10.6. The Extended Schools Grant allocations for schools were paid over during 2016/17, these balances have been ringfenced to each individual school within School Balances.
- 10.7. Following consultation with the school's forum and head teachers, the school balances have been used to purchase IT equipment for schools, the cost of

this equipment is then recharged to schools over the life of that equipment, effectively operating as an internal leasing arrangement. At the end of 2017/18 £0.129m of the £5.504m was being used in this way.

11. Original and Final Capital Programme for 2017/18

11.1. The capital budget for 2017/18 is subject to change, the largest element being slippage from 2016/17 and re-profiling into future years. In Quarter 4 there has been a net budget increase of £1.472m, compared to the position reported at Quarter 3. Table 11 summarises the overall movement, between that already approved, and changes for Quarter 4 that require approval.

Table 11: Revised Capital Programme Quarter 4 2016/17

Service Area	Agreed Capital Programme - Council 23/02/17	Slippage and budget changes approved to Quarter 3 2017/18	Quarter 4 budget changes to be approved	Revised 2017/18 Capital Programme Quarter 4
General Fund				
Place & Enterprise	38,301,000	(1,123,767)	847,899	38,025,132
Adult Services	2,369,825	2,356,830	133,042	4,859,697
Public Health	500,000	(214,968)	269,283	554,315
Children's Services	9,978,855	(3,976,352)	38,253	6,040,756
Resources & Support	9,256,230	(7,511,492)	-	1,744,738
Total General Fund	60,405,910	(10,469,749)	1,288,477	51,224,638
Housing Revenue Account	5,562,467	2,687,398	183,438	8,523,303
Total Approved Budget	66,058,377	(7,782,351)	1,471,915	59,747,941

11.2. Full details of all budget changes are provided in Appendix 5 to this report. A summary of the significant changes for 2017/18 and future years are detailed below:

Budget Increases

- Confirmation of final 17/18 Highways Maintenance Funding of £0.618m.
- Confirmation of additional Disabled Facilities Grant funding for 2017/18 of £0.275m.
- Further S106 funding of £0.154m in 2017/18, £0.154m for Shifnal Highways Development Planning.
- Revenue contributions of £0.377m have been added to the capital programme. The major areas are Public Health contribution for digital and scanning equipment and HRA contribution to the HRA Major Repairs programme.

12. Capital Outturn Position

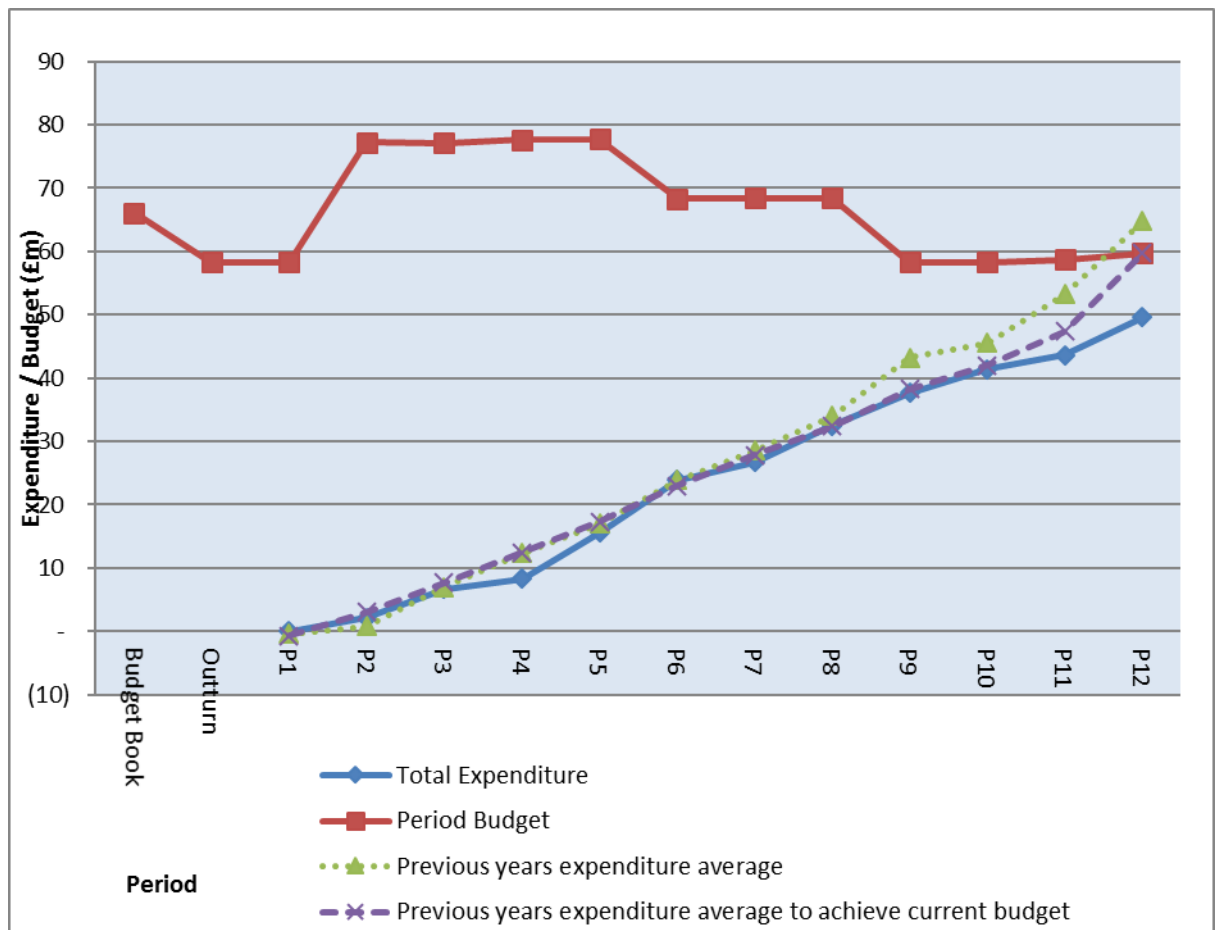
12.1. The capital programme is reviewed on a regular basis to re-profile the budget to reflect the multi-year nature of capital schemes, whereby spend may slip into later years. However, it is possible that a level of underspend or overspend may be experienced against the revised capital budget at outturn. Outturn projections are incorporated into the capital monitor to enhance the monitoring information provided and allow the early identification where

schemes are deviating from budget. Table 12 summarises the outturn position for 2017/18.

Table 12: Capital Programme Outturn Position by Service area 2017/18

Service Area	Revised Capital Programme – Outturn 2017/18	Actual Expenditure 29/03/18	Variance	Spend to Budget %
General Fund				
Place & Enterprise	38,025,132	33,666,874	4,358,258	89%
Adult Services	4,859,697	2,004,340	2,855,357	41%
Public Health	554,315	409,523	144,792	74%
Children's Services	6,040,756	5,024,051	1,016,705	83%
Resources & Support	1,744,738	1,645,979	98,759	94%
Total General Fund	51,224,638	42,750,768	8,473,870	83%
Housing Revenue Account	8,523,303	6,857,580	1,665,723	80%
Total Approved Budget	59,747,941	49,608,348	10,139,594	83%

12.2. Total capital expenditure for 2017/18 was £49.608m, which equated to 83% of the re-profiled capital programme of £59.748m. The graph below shows actual expenditure by period and also tracks the period by period changes to the budget.



- 12.3. There was a total variance of £10.140m between the revised Outturn Budget and the Outturn Expenditure. All of this underspend will be slipped to 2018/19, to facilitate completion of projects commenced in 2017/18. Full details of expenditure variances at scheme level are in Appendix 5. A summary of significant variances by service area are provided below.
- 12.4. **Place & Enterprise** – Total under spend against the Place & Enterprise capital programme was £4.358m. The most significant area of underspend was £4.008m against the Broadband programme due to a lower than profiled claims from Contractors in the final the Quarter. There were minor underspends on projects across other areas of Place & Enterprise but with Highways maintenance fully spending to their budget allocation.
- 12.5. **Adult Services** – Total underspend against Adult Services was £2.855m, all of which is committed to be spent in 2018/19. This was £0.776m on Social Care schemes despite significant re-profiling and £2.079m on Housing Health & Wellbeing.
- 12.6. **Children’s Services** – The total underspend against the Children’s Services capital programme was £1.017m. This was spread through-out the different areas of the programme despite significant re-profiling in year.
- 12.7. **Housing Revenue Account** – Total underspend against the HRA programme of £1.666m, of which £1.476m was on the Major Repairs Programme.

13. Financing of the capital programme

13.1. Appendix 5 provides a full summary of the financing of the 2017/18 capital programme. Table 13 summarises the financing sources and changes made to Quarter 3 and to be approved to Quarter 4.

Table 13: Revised Capital Programme Financing

Financing	Agreed Capital Programme - Council 23/02/17	Slippage and budget changes approved to Quarter 3 2017/18	Quarter 4 budget changes to be approved	Revised 2017/18 Capital Programme Quarter 4
Self-Financed Prudential Borrowing*	300,000	-	-	300,000
Government Grants	39,314,074	605,066	849,681	40,768,821
Other Grants	-	56,886	4,600	61,486
Other Contributions	382,750	278,205	296,593	957,548
Revenue Contributions to Capital	709,040	3,854,160	(2,246,840)	2,316,360
Major Repairs Allowance	4,833,074	(39,591)	-	4,793,483
Corporate Resources (expectation - Capital Receipts only)	20,519,439	(12,537,077)	2,567,881	10,550,243
Total Confirmed Funding	66,058,377	(7,782,351)	1,471,915	59,747,941

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

14. Projected Longer Term Capital Programme to aid Medium Term Financial Plan

14.1. The updated capital programme is summarised by year and financing in Table 14 below:

Table 14: Capital Programme 2018/19 to 2020/21

Service Area	2018/19	2019/20	2020/21
General Fund			
Place & Enterprise	34,892,764	17,058,017	15,401,000
Adult Services	1,509,968	-	-
Public Health	300,000	-	-
Children's Services	9,195,874	166,667	166,667
Resources & Support	6,060,200	5,000,000	-
Total General Fund	51,958,806	22,224,684	15,567,667
Housing Revenue Account	9,836,075	3,760,950	-
Total Approved Budget	61,794,881	25,985,634	15,567,667
Financing			
Self-Financed Prudential Borrowing*	8,197,000	-	-
Government Grants	32,669,257	20,272,359	15,453,379
Other Grants	2,541	-	-
Other Contributions	304,815	-	-
Revenue Contributions to Capital	3,892,225	-	-
Major Repairs Allowance	4,878,010	3,760,950	-
Corporate Resources (expectation - Capital Receipts only)	11,851,033	1,952,325	114,288
Total Confirmed Funding	61,794,881	25,985,634	15,567,667

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

- 14.2. The Corporate Resources financing line above is the element of internal resources through capital receipts and corporately financed prudential borrowing required to finance the programme. Current expectation is these will all be through capital receipts, see section 14 for the current projected position. Proposals are currently been considered through the Capital Investment Board for new schemes for the Council to invest in, with an emphasis on invest to save schemes or schemes that create revenue generation.

15. Capital Receipts Position

- 15.1. The current capital programme is heavily reliant on the Council generating capital receipts to finance the capital programme. There is a high level of risk in these projections as they are subject to changes in property and land values, the actions of potential buyers and being granted planning permission on sites. Table 15 below, summarises the current allocated and projected capital receipt position across 2017/18 to 2020/21. A RAG analysis has been included for capital receipts projected, based on the current likelihood of generating them by the end of each financial year. Those marked as green are where they are highly likely to be completed by the end of the financial year, amber are where they are achievable, but challenging and thus there is a risk of slippage and red are highly unlikely to complete in year and thus there is a high risk of slippage. However, no receipts are guaranteed to complete in this financial year as there may be delays between exchanging contracts and completing.
- 15.2. Capital receipts of £18.370m were brought forward from 2016/17 and £10.436m was generated in 2017/18. As previously reported, following the re-profiling in the capital programme and mid-year review of the programme, sufficient receipts had been generated to finance this year's capital programme without any corporate prudential borrowing. Of the receipts generated in year, £2.843m has been used to finance both redundancy costs and the Digital Transformation Programme under the new flexibilities around the use of Capital Receipts for transformational revenue purposes.

Table 15: Projected capital receipts position

Detail	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Corporate Resources Allocated in Capital Programme	5,106,613	17,867,351	1,952,325	114,288
Capital Receipts used to finance redundancy costs	2,842,544			
To be allocated from Ring Fenced Receipts		11,025,580	2,914,688	-
Total Commitments	7,949,157	28,892,931	4,867,013	114,288
Capital Receipts in hand/projected:				
Brought Forward in hand	18,370,400	20,857,133	-	-
Generated 2017/18 YTD	10,435,890		-	-
Projected - 'Green'	-	2,996,205	22,050	-
Total in hand/projected	28,806,290	23,853,338	22,050	
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	(20,857,133)	5,039,594	4,844,963	114,288

Further Assets Being Considered for Disposal	-	15,354,345	520,000	-
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- 15.3. Following the underspend position for the capital programme for 2017/18 and the Council policy of applying un-ringfenced capital grants in place of capital receipts where they are not required in full due to scheme underspends, the Council has £20.857m in capital receipts in hand at 31/03/18. These will be set-aside, enabling the Council to achieve an additional MRP saving of £0.485m in 2018/19. These capital receipts are required to finance schemes they are allocated to in the future years capital programme.
- 15.4. Based on the current approved position, across the life of the programme there is a shortfall in capital receipt projections of £5.040m in 2018/19 and £4.845m in 2019/20 based in receipts rated green in the RAG analysis to fund the required budget in the capital programme. There is, therefore, the requirement to progress the disposals rated amber and red which total £15.874m to ensure they are realised, together with realising the revenue running cost savings from some of the properties. Considerable work is required to realise these receipts, with generally a lead in in time of at least 12 to 18 months on larger disposals. In addition to the current expenditure commitments, the programme will also grow as new schemes are approved through the Capital Investment Board or as the Council utilises the new flexibilities around the use of Capital Receipts for transformational revenue purposes over the 3 year period 2016/17 to 2018/19.
- 15.5. It is important that work progresses, to avoid a funding shortfall in 2018/19 and future years. Failure to generate the required level of capital receipts will result in the need to further reduce or re-profile the capital programme, some of which will occur naturally as part of the review of the delivery of schemes; or undertake prudential borrowing, which will incur future year's revenue costs that are not budgeted in the revenue financial strategy.

16. Unsupported borrowing and the revenue consequences

- 16.1. The Council can choose what level of unsupported (prudential) borrowing to undertake to fund the capital programme, based on affordability under the prudential code. There is an associated revenue cost to fund the cost of the unsupported borrowing. This consists of the Minimum Revenue Provision (MRP) charge for the repayment of the principal amount, based on the asset life method and the interest charge associated with the borrowing. The current PWLB borrowing rate over 25 years is around 2.7% and currently only projected to rise by 0.3% across the next two years. As covered in section 13 above there are sufficient receipts in hand/projected to finance the existing approved programme. If there were to be a requirement for new schemes financed from borrowing, this could be accommodated from within existing borrowing and current cash balances in the short term, without the requirement to undertake new borrowing. This would, however, create an additional MRP cost, which would need to be met from the revenue budget.

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

Revenue & Capital Budget 2017/18

Financial Rules

Financial Monitoring Report – Quarter 1 2017/18

Financial Monitoring Report – Quarter 2 2017/18

Financial Monitoring Report – Quarter 3 2017/18

Cabinet Member (Portfolio Holder)

Councillor David Minnery (Finance)

Local Member

All

Appendices

1 – Service Area Outturn and Actions 2017/18

2 – Housing Revenue Account 2017/18

3 – Amendments to Original Revenue Budget 2017/18

4 – Reserves and Provisions 2017/18

5 – Capital Budget and Expenditure 2017/18

Service Area Outturn and Actions 2017/18Summary

	Full year			RAGB Y	FOR INFO ONLY		
	Budget	Controllable Outturn	Controllable Variation		Outturn (incl. Non Controllable items*)	Non Controllable Variation	Total Variation
	£	£	£		£	£	£
Adult Services	92,188,170	91,962,979	(225,191)	B	92,031,748	68,769	(156,422)
Children Services	46,691,490	51,260,311	4,568,821	R	53,044,063	1,783,751	6,352,573
Place & Enterprise	82,948,430	83,853,041	904,611	R	91,762,207	7,909,166	8,813,777
Public Health	5,552,850	4,736,469	(816,381)	Y	4,998,811	262,343	(554,039)
Resources & Support	3,583,950	2,328,211	(1,255,739)	Y	5,093,891	2,765,680	1,509,941
Corporate	(24,891,880)	(28,597,437)	(3,705,557)	Y	(41,470,547)	(12,873,110)	(16,578,667)
Total	206,073,010	205,543,574	(529,436)	Y	205,460,172	(83,402)	(612,838)

*The non controllable items included in the table above include items such as depreciation, impairment of assets, other capital charges and IAS19 (pension costs) that are not included within service projections throughout the year. These charges are produced at the year-end as they are calculated as part of the closedown procedures. The budgets for the year are set in the February of the preceding financial year, and rather than reallocate these budgets at the year end to match where the accounting entries are processed, we allow variations from budget to be reported instead. The net effect of these variations across the Council will always be zero, as any overspends within non controllable budgets for service areas will be offset by a Corporate underspend which reflects the statutory requirement that any variations in these budgets should impact on the Council Tax Payer and ultimately the Council Tax that we charge.

Detail on Controllable Outturn and Variations

ADULT SERVICES	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
Total	92,188,170	91,962,979	(225,191)	B

Adult Business Support & Development	Portfolio Holder Adult Services	3,098,420	2,419,193	(679,227)	Y
Overall underspend of £0.679m due to a number of managed variances across the service which are not sustainable beyond the short-term, but which are not expected to impact on service delivery in 2017/18. A summary of the variances is:					
<ul style="list-style-type: none"> £0.267m underspend on project cost centres £0.172m underspend on Joint Training and Professional Development Unit £0.032m underspend on Enable £0.208m underspend on Business Support staffing and costs associated with posts, due to delays in appointing to vacant posts. 					
Contracts & Provider	Portfolio Holder Adult Services	6,012,110	5,795,878	(216,232)	B

ADULT SERVICES		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
<p>Overall underspend of £0.216m due to a number of variances across the service which are not sustainable beyond the short-term, but which are not expected to impact on service delivery in 2017/18. The variances are:</p> <ul style="list-style-type: none"> £0.223m underspend projected across all day services due to various in year vacancies and variances in working budgets such as office costs, equipment and furniture replacement etc. £0.080m underspend relating to the Start team, now managed from within Provider Services £0.036m overspend relating to Four Rivers Nursing Home, due to higher than budgeted staff costs £0.069m one-off cost of decanting Kempfield whilst the site is developed £0.030m underspend relating to the Crowmoor contract A further £0.012m overspend relating to other external contracts and providers. 					
Social Care Operations	Portfolio Holder Adult Services	75,727,400	77,034,628	1,307,228	R
<p>An overspend of £1.307m has been incurred within the Social Care Operations section of Adult Services. Expenditure on adult social care purchasing is exceeding the current growth model estimates and work to analyse and understand where the pressures are arising is continuing. This includes the senior management review of new clients entering the system to ensure that decision making processes with adult social care continue to remain robust. There are still concerns about the disinvestment intentions and actions of the Clinical Commissioning Group (CCG), particularly in relation to the Better Care Fund and Continuing Health Care.</p> <p>The variances are:</p> <ul style="list-style-type: none"> £1.510m net overspend on purchasing £0.516m overspend on supported living properties £0.008m overspend on assistive technology £0.034m underspend on transport costs £0.693m underspend on staff team budgets due to delays in appointing to a number of vacancies. <p>£2.110m of the additional iBCF grant has been utilised on new schemes in 2017/18, with a contribution to reserves of the remaining grant (£3.866m) for use in 2018/19 and 2019/20.</p>					
Adult Services Management	Portfolio Holder Adult Services	2,772,300	2,598,661	(173,639)	B
<p>Overall underspend of £0.174m, largely due to:</p> <ul style="list-style-type: none"> £0.060m refund on PFI insurance received relating to the period June 2015 to June 2017. £0.116m as the result of utilising grant balances which had previously been carried forward between financial years. £0.042m as a result of writing off general receipt balances held in suspense. Managed underspends of £0.132m on supplies and services and staff budgets. <p>This is partly offset by a contribution of £0.176m to the bad debt provision for Adult Services.</p>					
Housing Health	Portfolio Holder Planning, Housing, Regulatory Services and Environment	4,577,940	4,114,620	(463,320)	Y
<p>Overall underspend of £0.463m due to a number of managed variances across the service which are not sustainable beyond the short-term, and which are not expected to impact on service delivery in 2017/18. The variances are:</p> <ul style="list-style-type: none"> £0.025m net underspend in the Housing Options team. This is comprised firstly of an underspend of £0.137m on the homelessness team, prevention and choice based lettings, due to vacancies and managed underspends on working budgets as well as additional grants relating to changes in homelessness legislation. The £0.137m underspend has been offset in part by an overspend on temporary accommodation and bed and breakfasts of £0.112m. £0.093m underspend on supporting people contract budgets. £0.014m underspend on supplies and services budgets within Private Sector Housing Initiatives. £0.331m saving as a result of management actions to reduce the Council's previously forecast overspend. 					

CHILDRENS SERVICES		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	

	£	£	£	
Total	46,691,490	51,260,311	4,568,821	R

Learning & Skills	Portfolio Holder Children and Young People	19,686,450	21,076,046	1,389,596	R
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The final outturn position reflects unachieved 2017/18 savings of £0.525m. Originally savings targets totalling £0.338m were assigned to Education Support Service budgets, however the subsequent removal of the general duties part of the Education Services Grant has rendered it impossible to achieve any further savings in these areas as the budgets have either already been removed, or alternatively schools have agreed to maintain the current level of service on a one-off basis for 2017/18 through a top-slicing of their School Budget Shares. This is for a 12 month period while these services review their structures and service offers, or move to a self-sufficient, fully traded model from 2018/19. The remaining £0.188m of unachieved savings are attributable to "Home to school transport" where proposed savings will not be achieved until the 2019/20 financial year at the earliest.

There is also £0.132m of unachieved savings target carried forward from 2016/17 against Education Support Services.

Besides unachieved savings targets, Learning and Skills' overspend results from reductions in Central Government grants. £0.087m relates to the loss of Education Services Grant and a further £0.319m relates to the loss of Dedicated Schools Grant funding. The latter is a direct result of a baselining exercise undertaken by the Department for Education to remove any Dedicated Schools Grant funding that did not meet strict criteria that constitutes a historic spending commitment.

There are also specific ongoing budget pressures in some services that have resulted in overspends including a £0.050m shortfall against the Education Improvement Service's traded income target and a historic budget pressure totalling £0.033m within Learning and Skills Business Support relating to the high-speed schools network. Additionally, there was an overspend of £0.287m in Home to School Transport as a consequence of an increase in the Special Education Needs cohort. A shortfall of £0.028m in Governor Services income has occurred and this is also likely to be an ongoing pressure as the demand for traditional Governor Support Services has started to reduce as some schools have federated under one governing body, while others join multi-academy trusts (MATs). This shortfall in income has been largely managed in year through one-off vacancy management savings.

In terms of one-off pressures, a 2017/18 savings target attributable to the Information, Advice and Guidance Service will be achieved fully through a major reduction in the size of this team. A difficult decision was made to cease the trading arm of this service with schools, with the Council's net budget reduced to a level sustainable to deliver only the core statutory duties of this team. Due to slippage in the implementation date of the service restructure the savings target was only partly achieved in 2017/18 resulting in a one-off monitoring pressure of £0.192m. An additional overspend of £0.063m was incurred against the Schools' redundancy pot where the cost of redundancies and related pension strain costs have exceeded the budget. These pension strain costs account for the main movement in reported position since quarter 3. The increase in pension strain costs accounts for a £0.147m increase since quarter 3 compared to the £0.120m overall increase in overspend from £1.270m to £1.390m.

The cost pressures above have been partially offset by underspends including an ongoing value of £0.140m in Education Improvement Service on staffing as the service has held posts vacant in year in anticipation of a staffing restructure in 2018/19. Furthermore, a decision has been made to draw down a one-off contribution from reserves of £0.135m. There were some additional in-year one-off savings on supplies and services and vacancy management totalling £0.049m across a number of school support services.

Children's Safeguarding	Portfolio Holder Children and Young People	26,591,810	29,770,426	3,178,616	R
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Unachieved 2017/18 savings targets account for £0.667m of the £3.179m projected overspend. £0.120m of the £0.667m relates to Short Breaks commissioning, where the contracts originally targeted with savings have been renewed achieving better service outcomes and greater value for money but with no reduction in contract value due to increased demand in the service. The remaining £0.547m relates to the Early Help service area where only £0.443m of a total savings target of £1.000m has been achieved; this being through a staff restructure and reduced premises and contract costs. An Early Help Family Hubs report was approved by Cabinet on 17th January proposing to consult formally with the public, key stakeholders and staff on a new delivery model for Early Help Services. The proposed delivery model will deliver the outstanding savings in Early Help by March 2019.

There is a projected overspend of £1.616m on external residential care and all foster care placements. The service is satisfied that the children and young people coming into the care of Shropshire Council in this financial year are children that need to be in the care system. The service has experienced an increase in the breakdown of some fostering placements, meaning children are leaving placements with Shropshire foster carers to be placed in higher cost residential placements. This breakdown of fostering placements is a result of the increasing complexity of Shropshire's looked after children. 10 children have moved from foster to residential placements in year. The average weekly increase of these placement moves are £2,770 per week, which has resulted in a total additional cost in year of £0.881m. There is a continued drive to reduce higher cost residential placements for children where it is appropriate and this will have a positive impact on the budget. It is notable that this is a volatile area where costs can change significantly in year.

In addition to the above there is a new ongoing pressure of £0.456m relating to Unaccompanied Asylum Seeking Children (UASC). Central Government funds a proportion of these costs through a weekly value based on the child's age. Previously the Council has managed to fund these costs within the grant funding available but due to some complex safeguarding needs and high flight risks there has been a need to place some children in high cost placements that are not fully funded, placing a pressure on the service. There are 3 UASC currently in high cost residential placements which will mean an on-going cost pressure to the service in 2018/2019 however plans are in hand to reduce the cost of the high cost placements.

In order to try to reduce the ongoing pressure on Children's Safeguarding in the medium to long term, officers are exploring options to reduce placement costs through a range of measures such as increasing the cohort of internal foster carers. A review of Early Help provision is also underway, as described above.

There is an on-going budget pressure of £0.455m caused by agency staffing costs in the social work teams. This pressure continues to reduce year on year through managing recruitment effectively. However, this is volatile in year as the need to ensure that children who are looked after, on a Child Protection Plan or in need of a plan are adequately supported in line with statutory timescales and this will dictate that any sickness, maternity or temporary vacancy must be covered in the interim through agency staff. There is also a heavy reliance on agency social workers due to challenges in recruiting to vacant posts. Historically, there has been no budget assigned to cover the need for agency staff. There is also an ongoing pressure of £0.079m due to the introduction of a new service manager post which was temporarily covered by an agency worker.

Finally, there are some smaller in year one-off savings on contracts and vacancy management, offset by one-off in year monitoring pressures, which net to an in year saving of £0.094m.

Children's Services Management	Portfolio Holder Children and Young People	413,230	413,839	609	G
Minor variation from budget at Outturn.					

PLACE & ENTERPRISE	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
Total	82,948,430	83,853,041	904,611	R

Director of Place & Enterprise	Portfolio Holder Leisure and Culture	665,630	678,457	12,827	G
Minor variation from budget at Outturn.					
Director of Place & Enterprise Total		665,630	678,457	12,827	

Head of Business Enterprise & Commercial Services	Portfolio Holder Corporate Support	185,530	208,731	23,201	G
Minor variation from budget at Outturn.					
Strategic Asset Management	Portfolio Holder Corporate Support	487,130	35,782	(454,738)	Y

The main reason for the overall underspend of (£0.455m) is due to shopping centre related income, which was unbudgeted. £465k of estimated income was reported to Cabinet however, the final position now reports that the net distribution will be £340k in relation to the 17/18 financial year. In addition to this, vacancy management within the service area generated an underspend of (£0.113m) and savings in controllable budgets totalled (£0.017m). These in-year underspends offset redundancy costs of £0.106m and an income shortfall of £0.036m.					
Corporate Landlord	Portfolio Holder Corporate Support	1,968,930	2,428,229	459,299	R
Of the £0.459m total overspend within Corporate Landlord, £0.370m is attributable to an unachieved saving regarding accommodation income in relation to Chester University's occupation of Guildhall. A number of conflicting pressures and savings make up the remainder of the overspend. There was a £0.283m overspend on repairs and maintenance, owing to the amount of essential works required across the estate. A more structured plan has been introduced in 2018/19 to establish the priority works and manage the budget accordingly to reduce the overspend. Budget pressures from rates due to revaluations totalled £0.268m, however backdated rates refunds were obtained totalling (£0.647m). There was a budget shortfall on Mardol House of £0.185m, primarily due to a shortage of student numbers resulting in a lack of rental income. A historic pressure on the Wide Area Network bill charges contributed an overspend of £0.151m, and overspends on cleaning budgets and supplies and services totalled £0.061m and £0.047m respectively. Income collection through rents and service charges totalled (£0.190m) owing to a number of backdated rental agreements being billed for. Further underspends were identified on utilities charges to the amount of (£0.093m). A £0.305m contribution from the R&M reserve was made to fund essential works that took place during the year.					
Enterprise Initiatives	Portfolio Holder Economic Growth	(7,390)	1,318	8,708	G
Minor variation from budget at Outturn.					
Premises Services	Portfolio Holder Corporate Support	97,720	533,848	436,128	R
PSG suffered a reduced level of income in 2017/18 which created a pressure of £0.384m. Circumstances contributing to the lack of income include reduced capital expenditure council-wide resulting in less fees, revenue spending freezes on all non-essential works, and changes in the internal recharging model within Corporate Landlord and PSG. Staffing budgets within the team created a further over-spend of £0.061m.					
Shire Services	Portfolio Holder Corporate Support	537,210	537,210	0	G
No variation from budget at Outturn.					
Theatre Services	Portfolio Holder Leisure, Libraries and Culture	262,550	76,634	(185,916)	B
The Theatre continues to maximise income from admissions and other sources and reduce operating costs resulting in a reduction in the overall net cost.					
One Public Estate	Portfolio Holder Corporate Support	530	530	0	G
No variation from budget at Outturn.					
Business Enterprise & Commercial Services Total		3,532,210	3,693,575	161,365	A
Commissioning Support	Portfolio Holder Corporate Support	50	(139,648)	(139,698)	B
The team held a number of posts vacant throughout the year and as such produced a saving on staffing budgets of (£0.110m) in addition to savings on supplies & services budgets of (£0.030m).					
Commissioning Support Total		50	(139,648)	(139,698)	
Procurement & Contracts	Portfolio Holder Corporate Support	180,680	141,993	(36,687)	G
Savings within staffing budgets totalled (£0.033m) in addition to savings on supplies and services budgets of (£0.06m).					
Procurement & Contracts Total		180,680	141,993	(36,687)	

Head of Economic Development	Portfolio Holder for Business and Economy	122,400	121,735	(665)	G
Minor variation from budget at Outturn.					
Development Management	Portfolio Holder Planning, Housing, Regulatory Services and Environment	905,070	1,116,127	211,057	A
Planning application fees are set nationally by Central Government. In 2017/18 a fee increase was anticipated early in the year, however delays in the Parliamentary process meant that there was a delay in fee increases. In other areas, there is evidence of a slow-down in the housing sales market, with a drop in the number of searches being requested, and finally, there have been issues around recruiting to a number of key posts within the service, resulting in high cost agency staff being required to maintain service delivery.					
Economic Growth	Portfolio Holder for Business and Economy	839,870	811,676	(28,194)	G
A new structure has been implemented for this service area. The budget was set to enable the restructure to take place, however there have been a number of vacancies during the recruitment process leading to a small underspend.					
Broadband	Portfolio Holder for Business and Economy	162,380	165,050	2,670	G
Minor variation from budget at Outturn.					
Planning Policy	Portfolio Holder Planning, Housing, Regulatory Services and Environment	498,150	477,649	(20,501)	G
Minor variation from budget at Outturn.					
Economic Development Total		2,527,870	2,692,237	164,237	A

Head of Infrastructure & Communities	Portfolio Holder Highways and Transportation	183,210	181,483	(1,727)	G
Minor variation from budget at Outturn.					
Arts	Portfolio Holder Leisure and Culture	90,430	86,853	(3,578)	G
Minor variation from budget at Outturn.					
Community Working	Portfolio Holder for Rural Services and Communities	787,420	772,905	(14,515)	G
Minor variation from budget at Outturn.					
Environmental Maintenance	Portfolio Holder Highways and Transportation	27,769,970	29,069,072	1,299,102	R
There were a number of areas of additional expenditure as managers responded to urgent safety related works whilst attempting to reschedule programmed maintenance to mitigate the unforeseen expenditure as far as possible (the service redesign and severe winter has identified increased expenditure on a higher number of defects that the Council has a duty to fix). In addition we have experienced a particularly difficult winter period which has led to variances across Winter Maintenance, some of which have been covered by a draw from the severe weather reserve.					
Highways & Transport	Portfolio Holder Highways and Transportation	2,841,260	3,222,028	380,768	R
There are a number of significant variations within H&T: £0.304m relates to an assumed saving from a Grey Fleet scheme (staff mileage and vehicles) which was not achieved, but is undergoing trials and assessment; ongoing budget pressures of £0.226m for subsidies to bus operators for current routes; additional costs of £0.412m for concessionary fares (a Central Government initiative with uncontrollable demand) and a significant increase in the numbers and amounts of Highways Part 1 claims (compensation claims resulting from changes to the highway network) of £0.118m. These variances are to some extent mitigated by additional income within the Streetworks team of (£0.619m) and in-year savings in the Structures team (£0.079m) resulting from a part-year spending freeze leading to fewer design commissions.					

Outdoor Partnerships	Portfolio Holder Leisure and Culture	1,340,230	1,284,032	(56,198)	G
Savings resulting from the spending freeze implemented earlier on in the financial year.					
Leisure	Portfolio Holder Leisure and Culture	3,446,980	3,530,914	83,934	G
Variance caused by staffing overspends and income shortfalls at our in-house leisure facilities, one-off repairs and maintenance works required, and the extension of support provided to an outsourced leisure facility.					
Libraries	Portfolio Holder Leisure and Culture	3,827,900	3,811,326	(16,574)	G
Minor variation from budget at Outturn.					
Locality Commissioning	Portfolio Holder for Rural Services and Communities	471,330	447,342	(23,988)	G
Minor variation from budget at Outturn.					
Passenger Transport	Portfolio Holder Highways and Transportation	518,350	182,480	(335,870)	Y
During 2017/18 there has been a restructure and review of systems within the team. As part of that process a number of charges to external clients relating to previous years was identified (£0.226m), in addition there have been significant reductions in lease hire costs.					
Visitor Economy	Portfolio Holder Leisure and Culture	1,655,060	1,672,813	17,753	G
Minor variation from budget at Outturn.					
Waste	Portfolio Holder Planning, Housing, Regulatory Services and Environment	33,040,300	32,303,793	(736,507)	Y
The overall underspend is due to the final agreement of the 2015/16 annual reconciliation at £0.650m; an overachievement of £0.204m, revision of the estimate for 2017/18 resulting in an overachievement of £0.107m and a small overachievement of £0.008m on the 2016/17 reconciliation. Furthermore, an underspend of £0.268m was realised in relation to landfill tax and gate fee expenditure due to rebasing of the contract for actual tonnages. Further underspends have been identified: £0.056m in relation to vacancy management, a decrease in the bad debt provision £0.025m and net underspends of £0.069m across various supplies and services budgets primarily in relation to ancillary charges, pass through payments, performance deductions and unavailability and overachievement of income.					
Culture & Heritage Manager	Portfolio Holder Economic Growth	69,550	96,068	26,518	G
One-off contribution to provide support to community centre.					
Infrastructure & Communities Total		76,041,990	76,661,109	619,119	R

PUBLIC HEALTH	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
Total	5,552,850	4,736,468	(816,381)	Y

Coroners & Bereavement	Portfolio Holder Health & Wellbeing	213,680	141,962	(71,718)	G
Overall underspend of £0.072m due to a number of small and managed variances across the service which are not sustainable beyond the short-term, but which are not expected to impact on service delivery in 2017/18. The underspend is made up of: <ul style="list-style-type: none"> £0.076m one-off saving in Coroners due to lower than expected fees and costs. Fees and costs are dependent on the number of coroners' cases. An overspend of £0.004m in Bereavement Services due to a number of small variances on supplies & services budgets. 					
Multi Agency	Portfolio Holder Health & Wellbeing	971,490	918,886	(52,604)	G

<p>Overall underspend of £0.053m due to a number of variances across the service which are not sustainable beyond the short-term, but which are not expected to impact on service delivery in 2017/18. The major variances are:</p> <ul style="list-style-type: none"> £0.007m underspend on the LINKs service* £0.042m underspend on Targeted Mental Health in Schools and Healthy Child Development Programme £0.014m underspend in Emergency Planning £0.011m overspend in Community Safety, £0.048m as a result of unachieved savings for 2017/18, which is offset by one-off recovery of contracted costs. The service is looking at ways of claiming funding towards the cost of management posts and other delivery models in order to try to achieve the required savings from 2018/19. <p>*This is the Healthwatch service which aims to give patients, services users, carers and the wider public a say in the way that health and social care services are run.</p>					
Public Health	Portfolio Holder Health & Wellbeing	92,700	92,700	0	G
<p>The ring fenced element of Public Health has achieved all required savings as per the Financial Strategy, as well as savings achieved in order to deal with the reduction in ring fenced grant. £0.146m was drawn down from the Public Health reserve to support the ring fenced services on a one-off basis within 2017/18. Public Health is working on a number of savings initiatives in order to bring the overall cost of the ring fenced services down to within available funds in future years.</p>					
Public Protection	Portfolio Holder Health & Wellbeing	4,070,030	3,463,639	(606,391)	Y
<p>Overall underspend of £0.606m due to a number of variances across the service which are not sustainable beyond the short-term. The underspend is made up of:</p> <ul style="list-style-type: none"> £0.289m underspend in Regulatory Services £0.317m underspend in Trading Standards and Licensing <p>The underspend is due to a combination of slippage on recruitment, leading to significant in-year vacancy management savings, underspends on supplies and services budgets such as equipment purchase and equipment maintenance, and increased income in trading standards, licensing and health protection.</p>					
Registrars	Portfolio Holder Health & Wellbeing	204,950	119,282	(85,668)	G
<p>Overall underspend of £0.086m, which is largely the result of higher than expected income from sources such as registration fees and advanced ceremony bookings, as well as in-year savings made on supplies and services budgets.</p>					
RESOURCES & SUPPORT			Full year		RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
Total		3,583,950	2,328,211	(1,255,739)	Y
Customer Involvement	Portfolio Holder Corporate Support	498,860	324,138	(174,722)	B
<p>The identified budgets pressures within Customer Involvement we able to be managed at year end from a variety of different sources resulting in an underspent position at year-end of (£0.178m). The identified budget pressures relating to corporate licensing, and support and maintenance contracts was reduced to £0.299m as a result of some contracts not being renewed and others costing less due to renegotiation.</p> <p>The outstanding historic savings targets of £0.120m relating to Lync telephony systems, £0.041m for the MFD fleet, £0.223m for the redesign of Customer Access, and £0.057m relating to Credit Union were largely offset at year end by the achievement of additional income being secured within IT Services (£0.353m). This was generated by additional trading with schools for IT services (£0.072m), and (£0.281m) from a combination of the ceasing of some telephony contracts relating to legacy systems which have been decommissioned, and income generation relating to additional mobile kit provision.</p> <p>The in year savings of (£0.187m) identified relating to staffing efficiencies and contract management were delivered as planned, and an additional (£0.124m) was secured from the completion of the service restructure within Customer Access. Additional savings were identified at year end relating to reduced MRP expenditure in year (£0.250m).</p>					
Finance, Governance & Assurance	Portfolio Holder Strategy, Financial Strategy, Budget and Business Plan	1,614,500	1,799,438	184,938	A

RESOURCES & SUPPORT	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
Total	3,583,950	2,328,211	(1,255,739)	Y

<p>Corporate Finance has out turned £0.185m over budget, the area's largest overspend is £0.281m within revenues and housing benefits. This was due to a savings target of £0.218m not being met and collection of benefits overpayments reducing £0.198m, partially being offset by increased grant income (£0.127m) and savings on staffing costs (£0.017m). Finance also reports an overspend, of £0.012m, one-off software costs related to the implementation of the new ERP totalled £0.136m over budget. This unbudgeted expenditure has been most offset through savings in staff costs (£0.106m) and in controllable budgets (£0.018m).</p> <p>Areas that underspent include Audit & Consultancy (£0.062m) and Treasury & Exchequer (£0.045m). The underspend within Audit can be attributed to staffing savings of £0.044m, increased income of £0.010m and savings on controllable budgets totalling £0.008m. Within Treasury, staffing savings total £0.007m and savings on controllable budgets total £0.044m to offset an income shortfall of £0.009m.</p> <p>Small variances within service areas include Pension Services reporting £0.007m over budget, Corporate Head of Finance reporting (£0.008m) under budget.</p>					
Human Resources & Development	Portfolio Holder Corporate Support	140,230	(286,791)	(472,021)	Y
<p>The efficiencies within Human Resources and Communications teams relating to in year vacancy management delivered the expected savings of (£0.101m).</p> <p>The identified pressure relating to the reduced income for the Communications team of £0.055m was offset at year end by additional income received within the Business Design team and Occupation Health services of (£0.047m).</p> <p>Funding was secured in year from the Digital Transformation Programme to cover costs incurred of (£0.110m), and corporate funding was secured to cover the costs of (£0.058m) for the Senior Leaders and Future Leaders programmes.</p> <p>The spending freeze delivered in year savings of (£0.052m), and additional income was received above that projected by (£0.092m) across Healthy and Safety, Payroll, and HR Advice services.</p>					
Legal, Democratic & Strategy	Portfolio Holder Corporate Support	1,275,610	673,754	(601,856)	Y
<p>The underspend at year end within Legal and Democratic services was delivered as projected.</p> <p>Savings from planned vacancy management across Committee Services and Legal Services totalled (£0.079m), and additional income generation was secured from the provision of election services to another local authority (£0.025m), and Section 106 agreement (£0.054m).</p> <p>The final spend to deliver the Council elections lead to an overall underspend of (£0.339m).</p> <p>The spending freeze delivered savings of (£0.054m), and efficiencies on supplies and services within both Committee Services and Member Services delivered an additional (£0.105m).</p> <p>Legal disbursement relating to Child Care cases continue to rise, and there was an overspend of £0.025m in 17/18, how these continuing pressures will be managed in the future is currently being reviewed.</p>					
Strategic Management Board	Portfolio Holder Strategy, Financial Strategy, Budget and Business Plan	54,750	(182,329)	(237,079)	B
<p>The underspend within SMB was delivered from a combination of vacancy management within the Personal Assistant team of (£0.060m), and efficiencies identified for the spend freeze from the release of budgets held for service development and freezing vacant posts of (£0.162m).</p>					

CORPORATE	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
Total	(24,891,880)	(28,597,437)	(3,705,557)	Y

Corporate Budgets	Portfolio Holder Strategy, Financial Strategy, Budget and Business Plan	(24,891,880)	(28,597,437)	(3,705,557)	Y
<p>A planned underspend was identified from an early review of existing budgets of (£0.834m) from budgets held but not fully committed in the 2017/18 financial year. This was made available to resolve on a one-off basis existing pressures in year such as delays in the achievement of savings within other services.</p> <p>At year end the final budgets following year end adjustments confirmed as no longer required in year as a result of the spending freeze totalled (£1.936m), these budgets will be required in future years to fund changes in the national minimum wage, apprentice levy, employer's nation insurance costs.</p> <p>In year pressures were identified of £0.118m relating to the reduced trading surplus from West Mercia Energy, and £0.338 from inflationary pressures within Corporate Budgets. Additional in year pressures of £0.700m occurred regarding the disbursements in relation to the acquisition of the Shrewsbury shopping centres through the purchase of units within three Jersey Property Unit Trusts, and £0.050m for MRP Review consultancy fees. Ongoing reviews throughout the year of corporate budgets identified an additional (£1.048m) as a one-off surplus, generating an underspend in year to offset most of the identified pressures.</p> <p>A reduction in MRP requirements was identified in year of (£0.876m), additional interest received and reductions in interest payable of (£0.770m) from Treasury management activity, alongside savings relating to non-distributable costs of (£0.046m).</p> <p>Finally, additional expenditure of £0.600m has been incurred at year end. This is comprised of £0.448m and £0.152m, amounts originally intended to be funded from reserves, however the year end position has enabled these requirements to be funded from revenue.</p>					

Housing Revenue Account 2017/18

As at March 2018	Original Estimate £	Projected Outturn £	Variance Adverse/ (Favourable) £
<u>Income</u>			
Dwellings Rent	(17,467,840)	(17,521,554)	(53,714)
Garage Rent	(146,070)	(134,570)	11,500
Other Rent	(17,000)	(28,691)	(11,691)
Charges for Services	(427,240)	(495,247)	(68,007)
Total Income	(18,058,150)	(18,180,062)	(121,912)
<u>Expenditure</u>			
ALMO Management Fee	7,703,650	7,703,645	(5)
Supplies and Services	359,870	397,944	38,074
Capital Charges - Dwelling Depreciation	3,656,310	3,826,840	170,530
Capital Charges - Depreciation Other	155,710	166,570	10,860
Interest Paid	2,993,940	2,991,963	(1,977)
Repairs charged to revenue	500,000	484,817	(15,183)
Revenue Financing Capital Expenditure	3,237,610	3,237,610	0
New development feasibility	100,000	49,611	(50,389)
Increase in Bad Debt Provision	50,000	20,000	(30,000)
Corporate & Democratic Core	137,780	168,930	31,150
Total Expenditure	18,894,870	19,047,930	153,060
Net Cost of Services	836,720	867,868	31,148
PWLB Premium amortised			
Interest Received	(23,000)	(61,469)	(38,469)
Net Operating Expenditure	813,720	806,399	(7,321)
Net Cost of Service/(Surplus) for Year	813,720	806,399	(7,321)
<u>HRA Reserve</u>			
B/fwd 1 April	9,031,220	9,031,220	
Surplus/(Deficit) for year	(813,720)	(806,399)	
Carried Forward 31 March	8,217,500	8,224,821	

Earmarked Reserves for the HRA

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2017/18 (£'000)	Income in 2017/18 (£'000)	Balance Carried Forward (£'000)
HRA Earmarked Reserves					
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	2,369	(1,849)	3,993	4,514
Total		2,369	(1,849)	3,993	4,514

Appendix 3

Amendments to Original Budget 2017/18

	Total £'000	Adult Services £'000	Children's Services £'000	Place & Enterprise £'000	Public Health £'000	Resource s & Support	Corporate £'000
Original Budget as agreed by Council	206,073	91,976	47,528	82,733	5,600	3,511	(25,275)
Quarter 1							
National Minimum Wage and National Living wage budget allocation	-	11	2	13	1	3	(30)
Transfer of posts between Business Development & Improvement and Planning	-			73	(73)		
Quarter 2							
Transfer of remaining Education Services Grant as approved Q1	-		(751)				751
Transfer of all Assistive Services budgets to Adults	-	113	(113)				
Allocation of Better Care Fund Monies to Children's Services	-	11	(11)				
Transfer of a property budget to Adult Services	-	20	(20)				
Allocation of Apprenticeship Levy budget to Services	-	55	61	124	25	69	(334)
Quarter 3							
Transfer of START team from Social Care Operations to Contracts & Provider to align with revised management structure. Overall impact on Adults Services budget is nil.	(936) 936	(936) 936					
Transfer of budget for outsourced Day Services from Contracts & Provider to Social Care Operations. Overall impact on Adults Services budget is nil.	(206) 206	(206) 206					
Transfer of budget from Learning & Skills to Corporate Landlord for WT Centre			(4)	4			
Quarter 4							
Reallocation of Apprenticeship Levy budget to reflect actual cost.	-	2	1			1	(4)
Revised Budget	206,073	92,186	46,693	82,947	5,553	3,584	(24,892)

Reserves and Provisions 2017/18

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2017/18 (£'000)	Income in 2017/18 (£'000)	Balance Carried Forward (£'000)
Reserves						
Sums set aside for major schemes, such as capital developments, or to fund major reorganisation						
Redundancy	Required to meet one-off costs arising from approved staffing reductions, allowing the full approved savings in salaries or wages to reach the revenue account. <i>£6.9m of this fund was released conditionally in 2016/17 and is repayable from capital receipts in the future. £0.6m of redundancies were funded directly from capital receipts in 2017/18 so the figure owing back this reserves from capital receipts is reduced to £6.4m</i>	0	0	0	0	0
Revenue Commitments for Future Capital Expenditure	Comprises of underspends against budgeted revenue contributions available for capital schemes. The underspends have arisen due to slippage in capital schemes or because other funding streams were utilised during the year so as to maximise time limited grants.	3,889	0	(65)	3,366	7,191
Development Reserve	Required to fund development projects or training that will deliver efficiency savings. <i>£3.5m of this fund was released conditionally in 2016/17 and is repayable from capital receipts in the future.</i>	1,740	0	(37)	0	1,703
Invest to save Reserve	Required to fund invest to save projects in order to deliver the service transformation programme.	3,342	0	0	211	3,553
University	Required to meet the revenue costs arising from the setup of the university project and student accommodation development.	197	0	0	0	197
		9,168	0	(102)	3,577	12,644
Insurance Reserves						
Fire Liability	Required to meet the cost of excesses on all council properties.	2,786	0	0	287	3,072

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2017/18 (£'000)	Income in 2017/18 (£'000)	Balance Carried Forward (£'000)
Motor Insurance	An internally operated self-insurance reserve to meet costs not covered by the Council's Motor Insurance Policy.	1,064	0	(4)	32	1,093
		3,850	0	(4)	319	4,165
Reserves of trading and business units						
Shire Catering and Cleaning Efficiency	Built up from trading surpluses to invest in new initiatives, to meet exceptional unbudgeted costs or cover any trading deficits.	635	0	(56)	122	701
		635	0	(56)	155	701
Reserves retained for service departmental use						
Building Control	Required to manage the position regarding building control charges.	76	0	0	89	165
Care Act & IBCF Reserve	Required to fund the costs of implementing the Care Act requirements within the Council. This will be committed to the costs of one off posts required to implement the changes and training costs for staff within Adult Services. Plus unspent 17/18 IBCF monies required to fund the IBCF programme in future years.	284	0	(5)	3,888	4,168
Economic Development Workshops Major Maintenance	Established to meet the costs of major maintenance of Economic Development Workshops.	160	0	0	20	180
External Fund Reserve	Reserves held where the Council is the administering body for trust funds or partnership working.	489	0	(54)	121	556
Financial Strategy Reserve	Established specifically to provide one off funding for savings proposals in the Financial Strategy	28,601	0	(5,891)	1,847	24,556
Savings Management - Highways	Established specifically to provide one off funding for highways savings proposals in the Financial Strategy	0	0	0	5,625	5,625
Highways Development & Innovation Fund	Set aside funds for pump priming the Development and Innovation programme.	517	0	(503)	0	14

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2017/18 (£'000)	Income in 2017/18 (£'000)	Balance Carried Forward (£'000)
New Homes Bonus	Established from unapplied New Homes Bonus Grant balances.	4,788	0	(8,675)	7,809	3,922
Public Health Reserve	This reserve includes balances committed to specific public health projects.	1,073	0	(146)	0	927
Repairs & Maintenance Reserve	Set aside for known repairs and maintenance required to Council owned properties.	1,461	0	(345)	0	1,116
Resources Efficiency	Established for investment in new developments, particularly information technology, that service area would not be expected to meet from their internal service level agreements for support services.	740	0	(429)	111	422
Revenue Commitments from Unringfenced Revenue Grants	Established from unapplied unringfenced Grant balances. Commitments have been made against these balances in 2018/19.	1,348	0	(296)	459	1,510
Severe Weather	Required to meet unbudgeted costs arising from the damage caused by severe weather. The policy of the Council is to budget for an average year's expenditure in the revenue accounts and transfer any underspend to the reserve or fund any overspend from the reserve.	2,155	0	(659)	0	1,496
TMO Vehicle Replacement	Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.	300	0	0	0	300
		41,993	0	(17,004)	19,969	44,957
School Balances						
Balances held by schools under a scheme of delegation	Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion.	6,280	0	(1,906)	1,002	5,375
Education – Staff Sickness Insurance	Schools' self-help insurance for staff sickness with premiums met from delegated budgets.	0	0	0	2	2
Education – Theft Insurance	Schools' self-help insurance scheme to cover equipment damage and losses.	68	0	0	0	68

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2017/18 (£'000)	Income in 2017/18 (£'000)	Balance Carried Forward (£'000)
Schools Building Maintenance Insurance	The schools building maintenance insurance scheme is a service provided by Property Services for schools. In return for an annual sum all structural repairs and maintenance responsibilities previously identified as the "authority's responsibility" are carried out at no additional charge to the school.	1,866	0	0	61	1,927
		8,213	0	(1,907)	1,065	7,372

Total Reserves		63,859	0	(19,073)	25,053	69,839
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Provisions						
Provisions - Short Term						
Accumulated Absences Account	Provision to cover potential future payments of employee benefits not taken as at the end of the year. This is required under IFRS accounting regulations.	2,488	0	0	120	2,609
Other Provisions - Short Term	Includes a number of small provisions including Environmental Maintenance contract commitments and Shopping Centre rental payments	0	0	(62)	907	845
Provisions - Long Term						
Other Provisions - Long Term	Includes a number of small provisions including S106 Accrued Interest, profit share agreements and Shopping Centre rental payments.	297	0	0	168	465
Liability Insurance	Provision to meet the estimated actuarial valuation of claims for public liability and employers' liability	3,564		(142)	402	3,824
NDR Appeals	Represents the Council's share of the provision held for successful appeals against business rates.	3,324	0	(7,703)	7,914	3,535
Council Tax Bad Debt	Held for potential write offs of Council tax debtor balances.	4,113	0	(115)	606	4,605
NNDR Bad Debt	Held for potential write offs of NNDR debtor balances.	887	0	(374)	425	938

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2017/18 (£'000)	Income in 2017/18 (£'000)	Balance Carried Forward (£'000)
Tenancy Deposit Clawbacks	This represents deposits held for the economic development workshops that may be repaid at some point in the future.	142		(15)	18	145
General Fund Bad Debts	Held for potential write offs of debtor balances for General Fund Services including Housing Benefits.	6,420	0	(1,250)	267	5,437
HRA Bad Debts	Held for potential write offs of debtor balances for Housing Revenue Account rents and other debtor balances.	391		(46)	20	365
Total Provisions		21,626	0	(9,707)	10,848	22,767

Total Reserves & Provisions	85,485	0	(28,780)	35,901	92,606
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HRA Earmarked Reserves						
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	2,369		(1,849)	3,993	4,514
		2,369	0	(1,849)	3,993	4,514

Appendix 5

Shropshire Council - Capital Programme 2017/18- 2020/21

Capital Programme Summary - Quarter 4 2017/18

Scheme Description	Revised Budget Q3 17/18 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 17/18 £	Actual Spend 29/03/18	Spend to Budget Variance £	% Budget Spend	Outturn Projection	Outturn Projection Variance £	2018/19 Revised Budget £	2019/20 Revised Budget £	2020/21 Revised Budget £
General Fund													
Place & Enterprise	37,177,233	-	847,899	-	38,025,132	33,666,874	4,358,258	89%	33,666,874	-	34,892,764	17,058,017	15,401,000
Adult Services	4,726,655	-	133,042	-	4,859,697	2,004,340	2,855,357	41%	2,004,340	-	1,509,968	-	-
Public Health	285,032	-	269,283	-	554,315	409,523	144,792	74%	409,523	-	300,000	-	-
Children's Services	6,002,503	-	38,253	-	6,040,756	5,024,051	1,016,705	83%	5,024,051	-	9,195,874	166,667	166,667
Resources & Support	1,744,738	-	-	-	1,744,738	1,645,979	98,759	94%	1,645,979	-	6,060,200	5,000,000	-
Total General Fund	49,936,161	-	1,288,477	-	51,224,638	42,750,768	8,473,870	83%	42,750,768	-	51,958,806	22,224,684	15,567,667
Housing Revenue Account	8,339,865	-	183,438	-	8,523,303	6,857,580	1,665,723	80%	6,857,580	-	9,836,075	3,760,950	-
Total Approved Budget	58,276,026	-	1,471,915	-	59,747,941	49,608,348	10,139,594	83%	49,608,348	-	61,794,881	25,985,634	15,567,667

Potfolio Holder	Revised Budget Q3 17/18 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 17/18 £	Actual Spend 29/03/18	Spend to Budget Variance £	% Budget Spend	Outturn Projection	Outturn Projection Variance £	2018/19 Revised Budget £	2019/20 Revised Budget £	2020/21 Revised Budget £
General Fund													
Culture & Leisure - Lezley Picton	574,660	-	60,981	-	635,641	483,682	151,959	76%	483,682	-	55,307	-	-
Communities - Joyce Barrow	60,114	-	(10,911)	-	49,203	23,839	25,364	48%	23,839	-	330,858	-	-
Planning & Regulation - Robert Macey	867,313	-	-	-	867,313	728,587	138,726	84%	728,587	-	1,550,921	-	-
Highways & Transport - Steve Davenport	26,010,165	-	793,275	-	26,803,440	26,478,118	325,322	99%	26,478,118	-	15,680,526	12,550,017	14,901,000
Economic Growth - Nicholas Laurens	9,655,675	-	-	-	9,655,675	5,938,788	3,716,887	62%	5,938,788	-	17,275,152	4,508,000	500,000
Deputy Leader, Coporate Support - Steve Charmley	1,744,738	-	-	-	1,744,738	1,645,979	98,759	94%	1,645,979	-	6,060,200	5,000,000	-
Finance - David Minney	9,306	-	-	-	9,306	9,306	0	100%	9,306	-	-	-	-
Health & Adult Social Care - Lee Chapman	5,011,687	-	402,325	-	5,414,012	2,413,863	3,000,149	45%	2,413,863	-	1,809,968	-	-
Children's Services & Education - Nicholas Bardsley	6,002,503	-	42,807	-	6,045,310	5,028,605	1,016,705	83%	5,028,605	-	9,195,874	166,667	166,667
Total General Fund	49,936,161	-	1,288,477	-	51,224,638	42,750,768	8,473,870	83%	42,750,768	-	51,958,806	22,224,684	15,567,667
Housing Revenue Account - Lee Chapman	8,339,865	-	183,438	-	8,523,303	6,857,580	1,665,723	80%	6,857,580	-	9,836,075	3,760,950	-
Total Approved Budget	58,276,026	-	1,471,915	-	59,747,941	49,608,348	10,139,594	83%	49,608,348	-	61,794,881	25,985,634	15,567,667

RAG Analysis on Schemes

For Current year outturn expenditure on budget:

Red	Programmes that have a forecast outturn in excess of 10% of the current scheme budget
Amber	Programmes that have a forecast outturn in excess of 5% of the current scheme budget.
Green	Programmes that have a forecast outturn of less than or equal to the current programme.
Scheme progress:	
Red	Scheme is significantly below profile at current period and not expected to deliver as original profile.
Amber	Scheme is below profile at current period and scheme will not deliver as original profile.
Green	Scheme on profile at current period and expected to be delivered as original profile.

Shropshire Council - Capital Programme 2017/18- 2020/21

Financing	B/F Budget Q3 17/18 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 17/18 £	2018/19 Revised Budget £	2019/20 Revised Budget £	2020/21 Revised Budget £
Self Financed Prudential Borrowing	300,000	-	-	-	300,000	8,197,000	-	-
Government Grants								
Department for Transport	21,691,000	-	618,110	-	22,309,110	17,253,447	14,901,000	14,901,000
Ministry of Housing, Communities & Local Gov	-	-	-	-	-	544,507	-	-
Department for Health - Better Care Fund	2,736,187	-	-	-	2,736,187	-	-	-
Department for Health - HOLD Grant	915,000	-	-	-	915,000	1,500,000	-	-
Department for Education								
- Condition Capital Grant	3,109,792	-	-	-	3,109,792	2,500,000	-	-
- Basic Need Capital Grant	443,491	-	-	-	443,491	1,340,522	-	-
- Devolved Formula Capital	851,959	-	(42,908)	-	809,051	700,000	-	-
- Special Provision Funds	-	-	-	-	-	166,667	166,667	166,667
Department for Communities and Local Government	-	-	-	-	-	-	-	-
- Community Housing Fund	-	-	-	-	-	517,296	-	-
Disabled Facilities Grant (Additional)	-	-	274,479	-	274,479	-	-	-
Education Funding Agency	-	-	-	-	-	-	-	-
- Early Years Capital Fund	334,300	-	-	-	334,300	-	-	-
HCA - Travellers	21,000	-	-	-	21,000	55,858	-	-
HCA - New Build	362,500	-	-	-	362,500	370,000	-	-
BDUK - Broadband	4,086,469	-	-	-	4,086,469	5,091,201	1,892,605	269,756
Environment Agency	1,167,489	-	-	-	1,167,489	627,000	70,000	-
DEFRA	-	-	-	-	-	-	-	-
Local Enterprise Partnership (LEP) Fund	4,198,002	-	-	-	4,198,002	2,002,759	3,242,087	115,956
Public Health England	1,951	-	-	-	1,951	-	-	-
	39,919,140	-	849,681	-	40,768,821	32,669,257	20,272,359	15,453,379
Other Grants								
Historic England/English Heritage	47,183	-	-	-	47,183	2,541	-	-
Natural England	9,703	-	-	-	9,703	-	-	-
Other Grants	-	-	4,600	-	4,600	-	-	-
	56,886	-	4,600	-	61,486	2,541	-	-
Other Contributions								
Section 106	582,433	-	153,794	-	736,227	280,299	-	-
Community Infrastructure Levy (CIL)	29,369	-	-	-	29,369	-	-	-
Other Contributions	49,153	-	142,799	-	191,952	24,516	-	-
	660,955	-	296,593	-	957,548	304,815	-	-
Revenue Contributions to Capital	4,563,200	-	(2,246,840)	-	2,316,360	3,892,225	-	-
Major Repairs Allowance	4,793,483	-	-	-	4,793,483	4,878,010	3,760,950	-
Corporate Resources (expectation - Capital Receipts only)	7,982,362	-	2,567,881	-	10,550,243	11,851,033	1,952,325	114,288

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Total Confirmed Funding	58,276,026	-	1,471,915	-	59,747,941	61,794,881	25,985,634	15,567,667
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Shropshire Council - Capital Programme 2017/18- 2020/21

Funding changes - Quarter 4

Budget Increase/Decrease	2017/18	2018/19	2019/20	2020/21	Details
Government Grants					
Department for Transport	618,110	2,352,447	14,901,000	14,901,000	Additional Incentive Element funding £0.175m and Pothole Action Fund funding of £0.443m for 2017/18. Added in Local Transport Capital Block Funding of £1.859m and Pothole Action Fund of £0.494m for 2018/19. Added in indicative Highways maintenance Grants of £14.901m for 2019/20 and 2020/21.
Department for Education - Devolved Formula Capital	(42,908)				Removal of funding for schools transferred to Academy status.
Department for Education - Basic Need		(14,293)			
Ministry of Housing, Communities & Local Gov Homes and Communities Agency		544,507 300,000			Confirmation of funding allocation for 2018/19 for Land Release Funding of £0.544m. Allocation of funding for 2018/19 for HRA New Build Phase 5.
DCLG - Disabled Facilities Grant	274,479				Additional confirmed funding in 2017/18 for Disabled Facilities Grants.
DCLG - Community Housing Fund		517,296			Confirmation of funding allocation for 2018/19 for the Community Housing Fund.
Total Government Grants	849,681	3,699,957	14,901,000	14,901,000	
Other Grants					
V&A Museum - Local Hoards Grant	2,300				Added in V&A Grant for Heritage Asset Acquisition.
Total Other Grants	2,300	-	-	-	
Other Contributions					
Section 106	153,794	72,600			Contribution towards Shifnal Highways network £0.150m and The Mere Public Realm Works £0.004m in 2017/18. Contribution towards HRA New Build phase 5 £0.73 in 2018/19.
External Contributions	145,099	24,516			Additional £6.3k contribution to Heritage Assets Acquisition. £3.5k contribution from developer to Ash Parva Speed Reduction Scheme, £24.5k Whitchurch Town Council Contribution to Skate Park Scheme. £93.4k contribution from STaR Housing re New Century Court Refurbishment. Shropshire Wildlife Trust Contribution to Westwood Quarry scheme £22,151
Total Other Contributions	298,893	97,116			
Revenue Contributions to Capital	376,958	1,424,588			Added in for 2017/18 Development Fund revenue contribution of £15k re Severn Valley Country park extension project, revenue contribution to fit-out costs of £8,874 re Much Wenlock Library Refurbishment, Help 2 Change contribution to capital of £205,548 for digital information displays. School Revenue contributions £81,161 to capital projects. Help 2 Change vehicle purchase £14,235 and scanning equipment £49,500. Added in for 2018/19 £3.2m HRA revenue contribution to New BUild PHase 5 and planned repairs £0.601m. Reduction of £2.624m in 2018/19 as part of £5m savings target.
Major Repairs Allowance		3,780,110	3,760,950		Added in indicative HRA Major Repairs budget for 2018/19 & 2019/20.

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		8,197,000			Added in Tannery Student Accomodation £7.0m PWLB borrowing approval. £1,197 PWLB borrowing approval for new Parking Machines following parking strategy approval.
Prudential Borrowing					
Capital Receipts	(55,917)	(1,693,798)	(163,306)		Whitchurch Civic Centre Project completion £6k, Shirehall Phase 2 £300k, Non Poolable Disposals £49,990 completion of Phase 1 New Build. Reduction of £2.376m in 2018/19 as part of £5m Highways Maintenance
	1,471,915	15,504,973	18,498,644	14,901,000	
	-	(0)	-	-	