



Date: Monday, 7 September 2020

Time: 1.00 pm

Venue: THIS IS A VIRTUAL MEETING - PLEASE USE THE LINK ON THE AGENDA TO LISTEN TO THE MEETING

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## **CABINET**

### **TO FOLLOW REPORT (S)**

#### **11 Financial Monitoring Report Quarter 1 2020 - 2021 (Pages 1 - 34)**

Lead Member – Councillor David Minnery – Portfolio Holder Finance and Corporate Support

Report of Director of Finance, Governance and Assurance TO FOLLOW

Contact: James Walton 01743 258915

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Committee and Date  
Cabinet  
7<sup>th</sup> September 2020

Item

## FINANCIAL MONITORING REPORT – QUARTER 1 2020/21

**Responsible Officer** James Walton

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### 1. Summary

- 1.1 The report sets out the projected revenue expenditure for the whole of 2020/21 as at Quarter 1, and for capital sets out the expenditure up to the end of Quarter 1. For capital, any budget increases and decreases and any re-profiling of budgets between 2020/21 and future years are also set out for decision making.
- 1.2 The revenue monitoring within this report is based on financial information held for the first three months of the year, extrapolated to year end to produce an estimated outturn position. As the year progresses and further financial information becomes available, the quality of the estimates used within this report are expected to increase.
- 1.3 Variances in the overall projected position for the Council do not yet reflect all management action that can be taken. Management action instigated as a result of the Q1 monitoring projections identified in this report will be reflected in the projected outturn reported within the Q2 Monitoring Report.
- 1.4 The report identifies the current projections on delivery of revenue savings included within the forecast. To aid reporting of savings delivery the Council uses a RAG (Red, Amber, Green) rating to identify a rating for the delivery of savings proposals (more detail is provided in the report below). As at Quarter 1, evidence suggests that of the £18.725m of proposals to be delivered in 2020/21, £5.619m are rated as green – with a high degree of certainty of being delivered.
- 1.5 The Quarter 1 monitoring position suggests that £7.252m of the £18.725m savings planned are categorised as red, and further work is required within service areas to ensure that the total value of savings proposals is fully deliverable within the financial year. Furthermore, additional ongoing service pressures totalling a net value of £6.272m are already being highlighted, which service areas will need to address alongside delivering their savings.
- 1.6 £20.350m non-ringfenced grant has been received by the Council from MHCLG to enable the Council to respond to coronavirus (Covid-19) pressures across all services. In addition to this, it is estimated that the Council may be able to claim approximately £5.447m additional un-ringfenced support from MHCLG to recompense the Council for a proportion of lost sales, fees and charges income that has not been received by the Council due to the pandemic, and also that

£0.442m will be received from HMRC through the Coronavirus Job Retention Scheme. The most recent data submission to MHCLG estimated that additional cost pressures and loss of income to the Council as a result of Covid-19 were £26.438m, resulting in an estimated budget pressure of £0.199m.

1.7 The key issues highlighted by this report are that:

- The projected revenue outturn position is an overspend of £1.925m.
- At this level, the projected General Fund balance as at 31 March 2021 would be £17.315m, which is below the recommended level, despite a £5.730m contribution from the Financial Strategy Reserve at the start of the financial year to bring the General Fund Balance in line with the risk assessed level.
- The additional budget pressure as a result of Covid-19 is estimated to be £0.199m. This budget pressure is incorporated within the projected outturn position.
- Management action across all areas of the Council is now required to attempt to bring the budget back into balance, as far as possible.
- Without management action, there is a risk that savings proposals currently rated as “Amber” may be undelivered, which would have the effect of increasing any underlying overspend by £5.855m.
- The projected capital outturn is £127.915m, in line with the current budget.
- Current capital expenditure of £3.073m, representing 2.4% of the budget at Quarter 1, with 25% of the year elapsed.
- In 2021/22 and 2022/23 capital receipts are currently projected to be lower than those required for the programme to value of £15.366m respectively. Therefore, urgent action is required to progress further disposals identified in both the current and future years.

## 2. Recommendations

It is recommended that Members:

- A. Note that at the end of Quarter 1 (30 June 2020), the full year revenue forecast is a potential overspend of £1.925m;
- B. Consider the impact of this on the Council's General Fund balance.

## REPORT

### 3. Background

- 3.1 Budget monitoring reports are produced monthly for Directors, and quarterly for Cabinet, reporting on the period from June (period 2) to February (period 11) of each financial year, highlighting the anticipated year end projection.
- 3.2 The monitoring reports track progress against agreed budget decisions, consider any budget changes (including re-profiling on Capital), forecast any significant variances to the budget, and enable corrective action to be taken to attempt to ensure a balanced budget at year end.

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

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

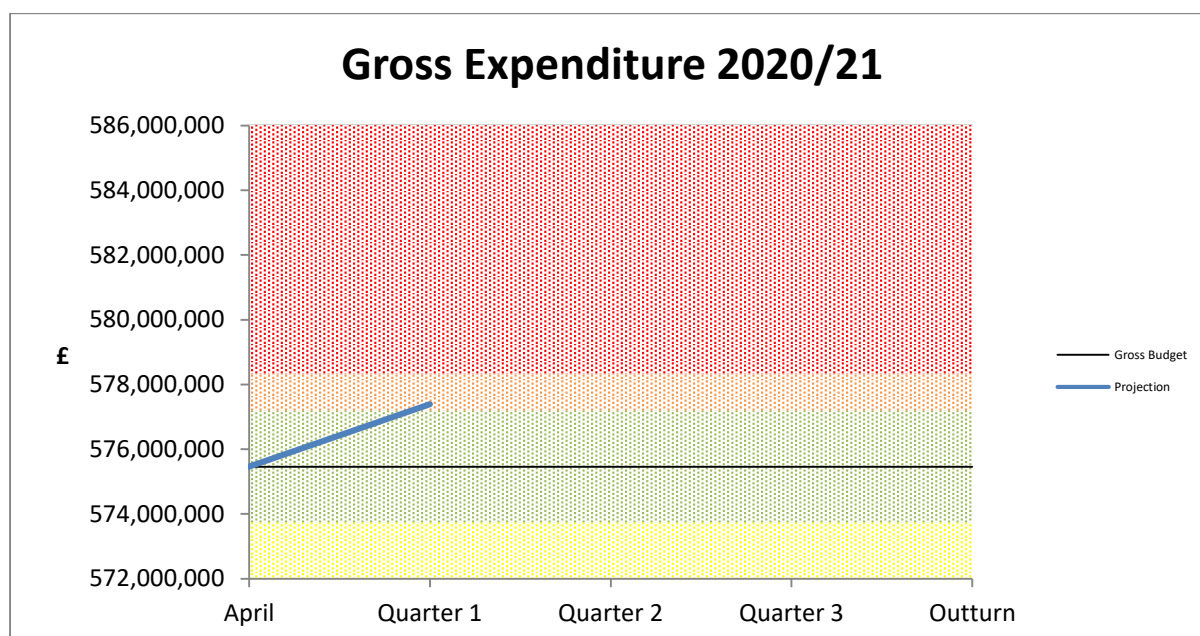
- 3.4 In addition, given the level of savings proposals identified for delivery in 2020/21, this report also includes a second RAG rating, specifically relating to the delivery of savings. The ratings are as follows:

Green – Saving identified, quantified and confirmed  
Amber – Saving identified but not yet confirmed  
Red – Saving not achieved or unachievable

- 3.5 Capital schemes are also reported on an exception basis, based on being delivered within budget and the expectation of being delivered within scheme timeframe.

#### **4. Revenue Monitoring 2020/21 Budget - Overall Position**

- 4.1 The projected revenue forecast for the year at Quarter 1, shows a potential overspend of £1.925m (0.33%) on a gross budget of £575.462m (net £225.522m). The forecast year end position for the Council is revised each Quarter (monthly for Directors) and reported using the graph below. The area of the graph banded green shows the extent of variance from the budget that would be seen as reasonable given the size and complexity of the Council's budget. However, at Quarter 1 the projected year end overspend of £1.925m is falling within the amber (danger zone) banding as shown in Graph 1 below.
- 4.2 Management action is required in order to reduce the projected year end overspend. The effect of any management decisions taken will be reflected in future reports.

**Graph 1: Projected Outturn Variance to Gross Budget**

4.3 The projected overspend of £1.925m for 2020/21 is presented below and analysed in more detail within Appendix 1.

**Table 1: 2020/21 Projected Budget Variations Analysed by Service Area**

Service Area	Revised Budget £'000	Forecast Outturn £'000	(Under) / Overspend £'000	RAGY Classification
Adult Services incl. Public Health	118,615	117,077	(1,538)	Y
Central DSG	-	-	-	G
Children's Services	52,873	61,411	8,538	R
Corporate Budgets	(5,373)	(22,253)	(16,980)	Y
Finance, Governance & Assurance	2,245	2,693	448	R
Legal & Democratic Services	439	465	26	G
Place	57,302	65,896	8,594	R
Strategic Management Board	(0)	(115)	(115)	Y
Workforce & Transformation	(578)	2,273	2,852	R
<b>Total</b>	<b>225,522</b>	<b>227,446</b>	<b>1,925</b>	<b>A</b>

4.4 The forecast impact of Covid-19 is included within the monitoring position. The latest estimate of additional costs for Covid-19 which is reported to MHCLG (including unachieved savings) is forecast to be £12.365m, with a further £14.073m loss of income forecast, resulting in a total cost to the Council of £26.438m in 2020/21. Additional costs and loss of income are shown in the tables below within section 4.6.

4.5 £20.350m non-ringfenced Covid-19 grant has been received by the Council, and this grant income is included in the monitoring position within Corporate Budgets, along with the majority of additional one-off costs incurred, such as additional payments to adult social care providers, the purchasing of PPE, delivery of food parcels and the costs of temporary accommodation for rough

sleepers. Lost income is shown within the appropriate service areas, to show the impact of Covid-19 on the running of ongoing Council services.

- 4.6 It is estimated that the Council may be able to claim approximately £5.447m additional un-ringfenced support from MHCLG to recompense the Council for a proportion of lost sales, fees and charges income that has not been received by the Council due to the pandemic, and also that the Council will receive £0.442m from MHCLG through the Coronavirus Job Retention Scheme. This further income support is also forecast within the appropriate service areas, reducing the net impact of Covid-19 on the service areas' forecast outturn position.

<b>Covid-19 Additional Expenditure Area (Included within Corporate Budgets within Monitoring Position)</b>	<b>Expenditure as at 30th June 2020 (£m)</b>	<b>Forecast Expenditure to 31st March 2021 (£m)</b>	<b>Confidence in Forecast Outturn Expenditure</b>
Adult Social Care	3.034	4.173	A
Housing Services	0.618	1.369	A
Public Health	0.044	0.274	R
Trading Standards and Licensing	0.010	0.014	G
Children's Social Care	0.055	0.578	A
Learning and Skills (Almost all Home to School Transport)	0.010	0.563	R
Risk Management and Insurance	0.000	0.003	R
Elections	0.000	0.002	G
Facilities Management	0.000	0.001	G
Arts	0.000	0.020	G
Leisure	0.000	1.053	G
Communications	0.000	0.006	R
ICT Services	0.003	0.304	R
PPE and Shielding	0.133	0.165	G
Delivery of Food Parcels and Essential Supplies, and Grants to Community Groups	0.084	0.201	A
Temporary Mortuary	0.000	0.015	A
Increase in Outstanding Debt Write Offs	0.000	0.044	R
Unachieved Savings	1.424	3.580	G
<b>Total</b>	<b>5.415</b>	<b>12.365</b>	<b>A</b>

<b>Covid-19 Loss of Income</b>				
<b>Service Area</b>	<b>2020/21 Forecast Loss of Income Due to Covid-19 (£m)</b>	<b>Estimated Loss of Sales Fees and Charges Income to be Claimed from MHCLG (£m)</b>	<b>Job Retention Scheme Income Expected from HMRC (Will Increase with Further Claims) (£m)</b>	<b>2020/21 Forecast Net Loss of Income Due to Covid- 19 (£m)</b>
Adult Services Business Support and Development	0.070	(0.033)	(0.015)	0.022
Adult Social Care Operations	0.459			0.459
Housing Services	0.039	(0.023)		0.016
Public Health	0.010	(0.002)		0.009
Registrars	0.182	(0.102)		0.080
Regulatory Services	0.060	(0.035)		0.025
Trading Standards and Licensing	0.265	(0.261)		0.004
Learning and Skills	0.512	(0.231)		0.281
Corporate Budgets	0.019			0.019
Corporate Landlord	0.400			0.400
Shire Services	3.629		(0.307)	3.322
Planning Services	0.565	(0.280)		0.285
Shrewsbury Shopping Centres	0.178			0.178
Highways and Transport - Car Parks	3.919	(2.728)		1.191
Highways and Transport - Other	1.229	(0.108)		1.121
Leisure	0.427	(0.287)	(0.029)	0.112
Libraries	0.035	(0.023)		0.011
Museums and Archives	0.089	(0.048)	(0.012)	0.029
Outdoor Partnerships	0.158	(0.111)		0.047
Theatre Services	1.828	(1.176)	(0.079)	0.573
<b>Total</b>	<b>14.073</b>	<b>(5.447)</b>	<b>(0.442)</b>	<b>8.183</b>

- 4.7 It can be assumed that if the pandemic had not happened, the Council's forecast outturn position at Quarter 1 would have been an overspend of £1.726m. In addition to the unachieved savings and ongoing budget pressures described in section 6 below, there is a significant forecast overspend within Children's Social Care and Safeguarding. Since 1<sup>st</sup> April 2020, the number of looked after children in Shropshire has increased from 399 to 425, which is an increase of 6.5%, and this increase in demand accounts for the majority of the overspend in this area. More detail on the service's forecast outturn position is provided in appendix 1.



## 5. Update on Savings Delivery

5.1 The savings projections for 2020/21 have been RAG rated in order to establish the deliverability of the savings and any potential impact on the outturn projection for the 2020/21 financial year. RAG ratings have been categorised as follows:

- Red – Savings are not solved on an ongoing basis, nor have they been achieved in the current financial year. 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.
- Green – Savings have been identified on an ongoing basis in the current financial year, with evidence of delivery.

The RAG ratings are updated monthly to determine progress on delivery.

**Table 2: Update on Delivery of 2020/21 Savings Proposals**

Service Area	Red £'000	Amber £'000	Green £'000	Total Savings £'000
Adult Services incl. Public Health	1,660	4,284	1,154	7,097
Central DSG	-	-	-	-
Children's Services	2,137	69	240	2,446
Corporate Budgets	125	88	400	613
Finance, Governance and Assurance	170	114	220	504
Legal and Democratic Services	135	-	265	400
Place	1,299	881	2,855	5,035
Strategic Management Board	-	-	-	-
Workforce and Transformation	1,726	420	484	2,630
<b>Council</b>	<b>7,252</b>	<b>5,855</b>	<b>5,619</b>	<b>18,725</b>

5.2 The figures presented above show that 30% of the 2020/21 savings required have been rated as green with a further 31% with plans in place to be delivered (rated amber). Paragraph 6.2 below provides further detail on the red savings.

5.3 Managers have provided assurance that plans are in place to deliver the savings that have been categorised as amber, however as evidence of the delivery has not yet been identified, there is still a risk that these savings could impact on the outturn position for 2020/21. As the year progresses, these amber savings should gradually turn to green as the evidence becomes available. However, if the amber rated savings are not delivered as planned, the effect on the outturn position is shown in Table 3 below.

5.4 Non-delivery of the amber rated savings would result in a projected outturn of £583.242m, and a total overspend of £7.780m which would leave the General Fund balance at an unsustainable level.

**Table 3: Effect of Non-Delivery of Amber Savings in 2020/21**

	Quarter 1 Projected Variance £'000	Amber Savings £'000	Potential Outturn if Amber Savings not Achieved £'000
Adult Services incl. Public Health	(1,538)	4,284	2,745
Central DSG	-	-	-
Children's Services	8,538	69	8,607
Corporate Budgets	(16,880)	88	(16,792)
Finance, Governance & Assurance	448	114	561
Legal & Democratic Services	26	-	26
Place	8,594	881	9,475
Strategic Management Board	(115)	-	(115)
Workforce & Transformation	2,852	420	3,272
<b>Total</b>	<b>1,925</b>	<b>5,855</b>	<b>7,780</b>

## 6. Analysis of Outturn Projections including Delivery of Savings

- 6.1 The monitoring position detailed in Table 1 includes the current position on delivery of savings proposals for 2020/21 in addition to new monitoring pressures identified and one-off solutions to reduce the projected overspend. Table 4 provides further analysis of the projected overspends for each service area.

**Table 4: Reconciliation of Monitoring Projections to Savings Delivery**

	Quarter 1 Projection £000	Savings Pressure in 2020/21 £000	Ongoing Monitoring Pressures Identified £000	Ongoing Monitoring Savings Identified £000	One Off Monitoring Pressures Identified £000	One Off Monitoring Savings Identified £000
Adult Services Business Support & Development	(88)				155	(243)
Adult Services Management	90	100				(10)
Provider Services	272	65			450	(243)
Housing Services	494	215	265		113	(99)
Social Care Operations	(2,710)	560			368	(3,638)
Bereavement Services	(1)					(1)
Regulatory Services	(24)	175				(199)
Trading Standards and Licensing	238	325			265	(352)
Registrars and Coroners	97	30			182	(115)
Non Ring Fenced Public Health Services	(22)				5	(28)
Ring Fenced Public Health Services	115	190	25		7	(107)
<b>Adult Services</b>	<b>(1,538)</b>	<b>1,660</b>	<b>290</b>	<b>0</b>	<b>1,545</b>	<b>(5,034)</b>
Central DSG					151	(151)
<b>Central DSG</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>151</b>	<b>(151)</b>
Learning & Skills	425	36	42		372	(25)
Children's Social Care & Safeguarding	8,110	2,055	1,010		6,089	(1,042)
Early Help, Partnerships and Commissioning	(65)					(65)
Children's Services Management	68	46			22	
<b>Children's Services</b>	<b>8,538</b>	<b>2,137</b>	<b>1,052</b>	<b>0</b>	<b>6,482</b>	<b>(1,132)</b>
Corporate Budgets	(5,033)	125				(5,158)

	Quarter 1 Projection	Savings Pressure in 2020/21	Ongoing Monitoring Pressures Identified	Ongoing Monitoring Savings Identified	One Off Monitoring Pressures Identified	One Off Monitoring Savings Identified
	£000	£000	£000	£000	£000	£000
Business Continuity – Covid 19	(11,847)				8,503	(20,350)
<b>Corporate Budgets</b>	<b>(16,880)</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>8,503</b>	<b>(25,508)</b>
Audit Services	(91)					(91)
Finance	171	170			43	(42)
Pension Administration Services						
Revenues and Benefits	396		496		16	(116)
Treasury Services	(0)					
Commissioning Development and Procurement	(6)					(6)
Risk Management and Insurance	(21)					(21)
<b>Finance, Governance and Assurance</b>	<b>448</b>	<b>170</b>	<b>496</b>	<b>0</b>	<b>59</b>	<b>(276)</b>
Democratic Services	(0)	8				(8)
Elections	65	77			11	(22)
Legal & Democratic Services	(39)	50				(89)
<b>Legal and Democratic Services</b>	<b>26</b>	<b>135</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>(119)</b>
Head of Commercial Services	183	96				87
Corporate Landlord	359		129		413	(184)
Facilities Management	(5)					(5)
Property Services	51				51	
Strategic Asset Management	226		100		126	
Commercial Investment Team	(386)				76	(461)
Shire Services	1,176		483		6,823	(6,129)
Director of Place	1,470	414	1,089		50	(83)
Head of Economic Growth	(3)					(3)
Planning Services	411				783	(372)
Economic Growth	10				690	(680)
Broadband					24	(24)
Planning Policy	(8)				77	(86)
Shrewsbury Shopping Centres	1,173	320	620		233	
Head of Infrastructure and Communities	119				119	
Arts	4				4	
Highways and Transport	2,953	460	152		7,886	(5,545)
Shropshire Hills AONB	19				19	
Outdoor Partnerships	(3)		50		327	(380)
Leisure	232				553	(321)
Libraries	53	9	98		35	(89)
Museums and Archives	16				236	(220)
Theatre Services	537				4,405	(3,868)
Waste Management	(187)				25	(212)
Head of Culture, Leisure and Tourism	195		108		87	
<b>Place</b>	<b>8,594</b>	<b>1,299</b>	<b>2,829</b>	<b>0</b>	<b>23,041</b>	<b>(18,576)</b>
Strategic Management Board	(115)					(115)
<b>Strategic Management Board</b>	<b>(115)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(115)</b>
Customer Services	(162)					(162)
ICT Digital Transformation Project	2,787	1,181	1,606			
ICT Services	331	490			110	(269)
Communications	11				11	
Information, Intelligence and Insight	(81)					(81)
Human Resources & Organisational Development	(34)	55			116	(205)
<b>Workforce and Transformation</b>	<b>2,852</b>	<b>1,726</b>	<b>1,606</b>	<b>0</b>	<b>237</b>	<b>(717)</b>
<b>TOTAL</b>	<b>1,925</b>	<b>7,252</b>	<b>6,272</b>	<b>0</b>	<b>40,029</b>	<b>(51,628)</b>

6.2 The 2020/21 savings projected not to be delivered within the Quarter 1 position are as follows:

Ref	Directorate	Service Area	Description	2020/21 Saving Required (£)	Value Rated Red (£)	Forecast Impact of Covid-19 on Red Savings
A26	Adult Services	Provider Services	Remodel day services offer	96,700	64,700	16,175
2A37R	Adult Services	Housing Services	Increased Housing Income	150,000	75,000	75,000
2A39R	Adult Services	Social Care Operations	Joint commissioning of adults social care placements with Shropshire CCG	550,000	550,000	412,500
2A46R	Adult Services	Regulatory Services	Regulatory Services, Trading Standards and Licensing review leading to redesign of delivery model, structures and an increased focus on income generation. Opportunities include; increased alignment to the CSC and an increased digital presence.	200,000	175,000	175,000
2A46R	Adult Services	Trading Standards and Licensing	Regulatory Services, Trading Standards and Licensing review leading to redesign of delivery model, structures and an increased focus on income generation. Opportunities include; increased alignment to the CSC and an increased digital presence.	200,000	175,000	175,000
P41	Adult Services	Social Care Operations	Negotiate contract savings upon renewal, through better contract management	9,970	9,970	-

Ref	Directorate	Service Area	Description	2020/21 Saving Required (£)	Value Rated Red (£)	Forecast Impact of Covid-19 on Red Savings
H16	Adult Services	Trading Standards and Licensing	Increase parking enforcement functions in line with the parking strategy	100,000	100,000	100,000
H24	Adult Services	Ring Fenced Public Health Services	Reclaim of funds from out of area for sexual health services (Wales)	50,000	50,000	50,000
2A03	Adult Services	Housing Services	External income generation	100,000	100,000	-
2A18	Adult Services	Housing Services	Reclaim of HRA monies	80,000	40,000	-
2A20	Adult Services	Ring Fenced Public Health Services	Redesign of integrated sexual health services	100,000	100,000	100,000
2A27	Adult Services	Registrars and Coroners	Registrars and Coroners income and reserve savings	30,000	30,000	30,000
2A28	Adult Services	Ring Fenced Public Health Services	Public Health services training income	10,000	10,000	5,000
2A29	Adult Services	Ring Fenced Public Health Services	Review of NHS Healthchecks, Preventive Health and Health TV.	30,000	30,000	15,000
2A30	Adult Services	Trading Standards and Licensing	Increase parking enforcement functions in line with the parking strategy	50,000	50,000	50,000
2A15	Adult Services	Adult Services Management	PFI Contract Savings	200,000	100,000	-
P41	Children's Services	Children's Services Management	Negotiate contract savings upon renewal, through better contract management	46,490	46,490	-
2C03	Children's Services	Children's Social Care and Safeguarding	North Yorks - No children in residential care model	2,000,000	2,000,000	1,000,000

Ref	Directorate	Service Area	Description	2020/21 Saving Required (£)	Value Rated Red (£)	Forecast Impact of Covid-19 on Red Savings
2C09	Children's Services	Children's Social Care and Safeguarding	New Residential Homes	100,000	54,978	50,000
2C06	Children's Services	Learning and Skills	Reduction to Council Central Schools Block of Dedicated Schools Grant	100,000	35,600	-
2F01	Corporate Budgets	Corporate Budgets	Insurance premiums and recharges	163,000	125,000	-
2F05	Finance, Governance and Assurance	Finance	External commercial services	320,000	170,000	-
2LD04	Legal and Democratic Services	Legal Services	New Children's Lawyer	50,000	50,000	-
2LD07	Legal and Democratic Services	Elections	JLB Bid Funding	76,690	76,690	-
2LD11	Legal and Democratic Services	Democratic Services	Increased income generation	8,000	8,000	-
P11	Place	Libraries	Review of library provision	73,950	9,420	9,420
P41	Place	Director of Place	Negotiate contract savings upon renewal, through better contract management	63,970	63,970	-
P65	Place	Shrewsbury Shopping Centres	Income generation from investment in assets	320,000	320,000	320,000
P05	Place	Head of Commercial Services	Review of car parking at administrative sites	96,000	96,000	96,000
2P03	Place	Highways and Transport	Support package for Operation of Park and Ride	200,000	200,000	100,000
2P05	Place	Director of Place	HRA cost recovery	100,000	100,000	-
2P02	Place	Director of Place	New model for temporary housing	250,000	250,000	-

Ref	Directorate	Service Area	Description	2020/21 Saving Required (£)	Value Rated Red (£)	Forecast Impact of Covid-19 on Red Savings
2P14	Place	Highways and Transport	Increased income for Streetworks Team	60,000	60,000	60,000
2P210	Place	Highways and Transport	LED Street Lighting	200,000	200,000	-
2WT06	Workforce and Transformation	ICT Services	PCI, SIP trunking and Telephony	200,000	8,830	8,830
2WT09	Workforce and Transformation	ICT Services	Rationalisation/Integration of Legacy Systems	75,000	75,000	-
2WT12	Workforce and Transformation	Human Resources and Organisational Development	Review of First Line HR Contacts	25,000	25,000	-
2WT13	Workforce and Transformation	ICT Services	Mobile Phone Contract Reduction	40,000	20,000	20,000
2WT14	Workforce and Transformation	Human Resources and Organisational Development	Re-working ICT approvals process	30,000	30,000	-
2WT20	Workforce and Transformation	ICT Services	Contract reductions from IT infrastructure replacement	283,000	283,000	-
2WT21	Workforce and Transformation	ICT Services	WAN contract reductions	103,000	103,000	103,000
2WT23	Workforce and Transformation	ICT Digital Transformation Project	Lean review of Shropshire Council structures and processes linked to transformation, single front door and digital enabling technologies	1,181,000	1,181,000	-
<b>TOTAL</b>				<b>8,121,770</b>	<b>7,251,648</b>	<b>2,970,925</b>

More detail on these is provided within the relevant service sections of Appendix 1.

6.3 A number of ongoing pressures have been identified within service areas, some of which relate to savings unachieved in previous financial years. Ongoing pressures identified at Quarter 1 are as follows:

Directorate	Service / Description	Nature of Pressure	Value (£)
Adult Services	Housing - Temporary Accommodation	Demography	265,000
Adult Services	Public Health - Out of Hours Call Service	Historic unachieved saving	24,800
Children's Services	Shrewsbury Training and Development Centre	Reduced income	42,000
Children's Services	Children's Social Care Placements	Staff budget and demography	341,300
Children's Services	Social Work Teams	Staff budget	305,900
Children's Services	Children's Social Care Agency Costs	Staff budget	362,400
Finance, Governance and Assurance	Revenues and Benefits	Reduced income (Housing Benefits subsidy)	496,000
Place	Corporate landlord	Increased contract costs and reduced income	129,405
Place	Shire Services	Historic unachieved saving	482,907
Place	Strategic Asset Management	Historic unachieved saving	100,000
Place	Director of Place	Historic unachieved saving	63,970
Place	Director of Place	Historic unachieved saving (Cornovii)	1,025,000
Place	Highways and Transport	Historic unachieved saving	152,000
Place	Outdoor Partnerships	Historic unachieved saving	50,000
Place	Libraries	Historic unachieved saving	98,000
Place	Head of Culture, Leisure and Tourism	Staff budget	108,064
Place	Shrewsbury Shopping Centres	Reduced rental income and increased costs	619,603
Workforce and Transformation	DTP - Transformation Savings	Historic unachieved saving	1,111,000
Workforce and Transformation	DTP - Single Front Door / Face to Face Review	Historic unachieved saving	495,000
<b>TOTAL</b>			<b>6,272,349</b>



Significant further work is required within service areas to find an ongoing basis for managing and funding these pressures so that further growth is not required within the Financial Strategy, leading to an increase in the funding gap.

## 7. General Fund Balance

- 7.1. The effect on the Council's reserves of the outturn forecast is detailed below. The Council's policy on reserve balances is to have a General Fund balance (excluding schools balances) of between 0.5% and 2% of the gross revenue budget. For 2020/21 the minimum balance required would therefore be £2.877m, although this is no longer considered to be an acceptable guide.
- 7.2. The more appropriate risk based target balance for the General Fund, as calculated in the General Fund Balance section of the Medium Term Financial Strategy 2020-25, reported to Council on 27<sup>th</sup> February 2020, is £19.242m in 2020/21, rising to £29.925m by 2024/25. These figures were significantly increased within the review, reflecting the remaining funding gap in these years as set out in the Financial Strategy, and the significant level of risk associated with the uncertainty over local government funding.
- 7.3. The overspend position reported in 2019/20, in addition to emergency events such as flooding and Covid-19 has shown that it is necessary for the Council to hold a General Fund Balance that can sustain such budgetary pressures when they arise, and so a transfer of £5.730m will be made from the Financial Strategy Reserve to the General Fund Balance to ensure that this is held at the Risk assessed level before any pressures in 2020/21 have to be applied to the General Fund Balance. It should be noted that this will leave the Financial Strategy Reserve at a balance of £15.072m.
- 7.4. Based on the current monitoring position, the General Fund balance will reduce significantly at year-end, as shown in table 5 below. The projected balance will be significantly below the required risk assessed target.

**Table 5: Projected General Fund Balance as at 31 March 2021**

	£'000
General Fund Balance as at 31 March 2020	13,510
Contribution from Financial Strategy Reserve	<u>5,730</u>
General Fund Balance as at 1 April 2020	19,240
 This Report – Projected Outturn	
Under/(Over)spend	(1,925)
Contribution from Financial Strategy Reserve	
 <b>Projected Balance at 31 March 2021</b>	 <b>17,315</b>

## 8. Movement in Capital Programme for 2020/21

- 8.1 The capital budget for 2020/21 is continuously being monitored and changed to reflect the nature of capital projects which can be profiled for delivery over several years. In Quarter 1 there has not been any change in the budget compared to the position reported at Outturn 2019/20. Table 6 summarises the overall movement, between that already approved, changes for Quarter 1 and the programme financing.

**Table 6: Revised Capital Programme Quarter 1 2020/21**

Detail	Agreed Capital Programme - Council 27/02/20 £	Slippage & Budget Changes Approved To Outturn 2019/20	Quarter 1 Budget Changes to be Approved £	Revised 2020/21 Capital Programme Quarter 1
<b>General Fund</b>				
Place	72,225,091	1,981,554	-	74,206,645
Adult Services	7,537,407	967,327	-	8,504,734
Childrens Services	15,611,241	2,258,618	-	17,869,859
Workforce & Transformation	1,400,000	994,901	-	2,394,901
<b>Total General Fund</b>	<b>96,773,739</b>	<b>6,202,400</b>	-	<b>102,976,139</b>
<b>Housing Revenue Account</b>	22,255,610	2,683,069	-	24,938,679
<b>Total Approved Budget</b>	<b>119,029,349</b>	<b>8,885,469</b>	-	<b>127,914,818</b>
<b>Financing</b>				
Self Financed Prudential Borrowing *	43,635,000	(1,864,664)	-	41,770,336
Government Grants	43,722,715	1,712,919	-	45,435,634
Other Grants	-	1,185,437	-	1,185,437
Other Contributions	14,043,449	(135,294)	-	13,908,155
Revenue Contributions to Capital	4,179,610	1,325,395	-	5,505,005
Major Repairs Allowance	5,026,000	1,181,444	-	6,207,444
Corporate Resources (expectation - Capital Receipts only)	8,422,575	5,480,233	-	13,902,808
<b>Total Confirmed Funding</b>	<b>119,029,349</b>	<b>8,885,469</b>	-	<b>127,914,818</b>

- 8.2 Within the financing of the Capital Programme £5.505m is funded from revenue contributions. The major areas of revenue contributions to capital are the £0.127m approved towards essential repairs in relation to the Corporate Landlord estate and £5.339m in ringfenced HRA monies to new build schemes (£4.874m) and housing stock repairs (£0.465m) to new build schemes.

## 9 Actual versus Planned Expenditure to Date

- 9.1 The actual capital expenditure at Quarter 1 is £3.073m, which represents 2.4% of the revised capital budget at Quarter 1, 25% of the year. This is slightly low in comparison to the total budget, but in line with the average expenditure percentage at this period in previous years. All budgets are fully allocated to projects and will be monitored for levels of spend throughout the remainder of the year. Based on recent years, the capital programme has out-turned at around 85% of the outturn budget, which on average has been around 20% lower than the budget at this point in the year, due to further re-profiling later in the year.
- 9.2 The level of spend is slightly low across the programme in some areas, but equal to the level of spend in the previous year at this period. In terms of the major areas the spend position is as follows: Place 2.7% (budget £74.207m), Adult Services 3.2% (budget £8.504m, Workforce & Transformation 4.1%

(budget £2.395m), Children's Services 3.7% (budget £17.870m), HRA Major Repairs & New Build Programme 0.3% (budget £24.939m).

## 10 Capital Receipts Position

10.1. 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 7 below, summarises the current allocated and projected capital receipt position across 2020/21 to 2023/24. 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.

**Table 7: Projected capital receipts position**

Detail	2020/21 £	2021/22 £	2022/23 £	2023/24 £
Corporate Resources Allocated in Capital	18,115,824	5,400,824	-	-
Capital Receipts used to finance	-	-	-	-
To be allocated from Ring Fenced	14,158,758	-	-	-
<b>Total Commitments</b>	<b>32,274,582</b>	<b>5,400,824</b>	<b>-</b>	<b>-</b>
<b>Capital Receipts in hand/projected:</b>				
Brought Forward in hand	19,619,249	(11,066,580)	(15,365,530)	(15,365,530)
Generated 2020/21 YTD	1,588,753	-	-	-
Projected - 'Green'	-	1,101,874	-	-
<b>Total in hand/projected</b>	<b>21,208,003</b>	<b>(9,964,706)</b>	<b>(15,365,530)</b>	<b>(15,365,530)</b>
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	11,066,580	15,365,530	15,365,530	15,365,530
Further Assets Being Considered for Disposal	27,365,927	7,189,424	5,500,000	-

10.2. Capital receipts of £19.619m were brought forward from 2019/20 and £1.589m has been generated to date in 2020/21.

10.3. Based on the current programme and capital receipts in hand and projected as Green, there are insufficient receipts generated to finance the capital programme for 2020/21; the shortfall being £11.067m which may need to be financed from Prudential Borrowing if it cannot be addressed in year.

10.4. In 2021/22 there is currently a projected shortfall of capital receipts of £15.366m, which may need to be financed from Prudential Borrowing if they cannot be addressed by progressing the disposals programmed for future years. There is an urgent pressure to progress the disposals programmed for future years, to ensure they are realised, together with realising the revenue running cost savings from some of the properties. Considerable work is required to realise these receipts, with generally a lead in time of at least 12 to 18 months on larger disposals. In addition to the current expenditure commitments, the programme will also grow as new schemes are approved

through the Capital Investment Board or if the Council further utilises the new flexibilities around the use of capital receipts for transformational revenue.

- 10.5. It is important that work progresses, to minimise the funding shortfall. 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 revenue costs that are not budgeted for in the revenue financial strategy.

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

Medium Term Financial Strategy 2020/21-2024/25  
Financial Rules

**Appendices**

1. Service Area Pressures and Actions 2020/21
2. Amendments to Original Revenue Budget 2020/21
3. Capital Budget and Expenditure 2020/21

## Appendix 1

**Service Area Pressures and Actions 2020/21****Summary**

	Budget	Forecast	Variance	RAGY
Adult Services incl. Public Health	118,614,700	117,076,582	(1,538,118)	Y
Central DSG	-	-	-	G
Children's Services	52,872,990	61,410,635	8,537,645	R
Corporate Budgets	(5,373,120)	(22,252,651)	(16,879,531)	Y
Finance, Governance & Assurance	2,244,770	2,692,522	447,752	R
Legal & Democratic Services	439,370	465,487	26,117	G
Place	57,301,690	65,895,536	8,593,846	R
Strategic Management Board	(380)	(115,180)	(114,800)	Y
Workforce & Transformation	(578,450)	2,273,333	2,851,783	R
<b>TOTAL</b>	<b>225,521,570</b>	<b>227,446,262</b>	<b>1,924,692</b>	<b>A</b>

**Detail**

ADULT SERVICES INCL. PUBLIC HEALTH	Full Year			RAGY
	Budget £	Forecast £	Variance £	
<b>Total</b>	<b>118,614,700</b>	<b>117,076,582</b>	<b>(1,538,118)</b>	<b>Y</b>

<b>Adult Services Business Support and Development</b>	<b>Portfolio Holder Adult Social Services and Climate Change</b>	3,549,850	3,461,983	(87,867)	Y
<p>There is a projected underspend within Business Support and Development of (£0.088m) which is largely due to a number of managed vacancies across the service. The vacancies are not sustainable beyond the short-term, but will not impact service delivery in 2020/21. A summary of the major variances are as follows:</p> <ul style="list-style-type: none"> <li>• (£0.077m) underspend on Business Support. This is largely down to staffing and costs associated with the posts, due to anticipated delays in appointing to vacant posts.</li> <li>• (£0.011m) underspend on Joint Training and the Professional Development Unit. There is an anticipated loss of income due to covid-19 but this is offset by staffing related underspends.</li> </ul>					
<b>Adult Services Management</b>	<b>Portfolio Holder Adult Social Services and Climate Change</b>	1,950,020	2,040,230	90,210	A
<p>There is a projected overspend within Adult Services Management of £0.090m. A summary of the major variances are as follows:</p> <ul style="list-style-type: none"> <li>• (£0.010m) underspend on staffing due to a service manager not being in post for the full year.</li> <li>• £0.100m overspend on the assumption that we will not achieve 50% of a £0.200m saving on the PFI building contracts.</li> </ul>					
<b>Provider Services</b>	<b>Portfolio Holder Adult Social Services and Climate Change</b>	3,005,420	3,277,262	271,842	R

There is a projected overspend within Provider Services of £0.272m. The major variances are as follows:

- (£0.069m) underspend on preventative services contracts and increased Shared Lives Housing Benefit. This is a one-off saving in year.
- £0.030m overspend across all Day Services. There is (£0.117m) underspend due projected staffing vacancies but this is offset by £0.050m pressure due to anticipated under achievement of income, impacted by Covid-19 and £0.097m due to an anticipated red saving within the service.
- £0.065m overspend relating to Four Rivers Nursing Home, due to higher than budgeted staff costs, including agency spend, some of which is a result of Covid-19, of £0.122m. This is somewhat offset by an overachievement of income budget, largely due to government contributions towards staffing related overspend of (£0.057m).
- £0.245m overspend relating to the START teams. This is due to the growth of the service partly attributable to Covid-19 and to take over cases previously dealt with by external providers. Following a business case to grow this internal reablement service, budget needs to be moved here from other areas within Adult Services to offset the overspend.

<b>Housing Services</b>	<b>Portfolio Holder Housing and Strategic Planning</b>	2,442,950	2,937,061	494,111	<b>R</b>
<p>There is a projected overspend within Housing Services of £0.494m. The major variances are as follows:</p> <ul style="list-style-type: none"> <li>• (£0.094m) underspend on staffing due to anticipated in year staff vacancies.</li> <li>• £0.108m net effect of over-achievement of income targets and pressures in service delivery related to projects such as assistive technology and Tech Severn</li> <li>• £0.215m related to the expected unachievement of red savings</li> <li>• £0.265m anticipated overspend on temporary accommodation, due to an unprecedented number of homeless cases. Savings targets have been proposed by reducing the reliance on bed and breakfast usage.</li> </ul>					
<b>Social Care Operations</b>	<b>Portfolio Holder Adult Social Services and Climate Change</b>	103,323,670	100,613,719	(2,709,951)	<b>Y</b>
<p>There is a projected underspend of (£2.710m) within the Social Care Operations section of Adult Services. The major variances are as follows:</p> <ul style="list-style-type: none"> <li>• (£2.291m) projected underspend within the purchasing budget. Ongoing work is taking place to look into this position but at present it is anticipated, due to not seeing the level of growth that was applied at budget setting. This could be partly down to the suppressed demand due to Covid-19 as well as an increased death rate. There is also some one-off in year funding applied from Shropshire CCG, which is funding all hospital discharges from their COVID-19 funding. This is an extremely volatile budget and assumptions made around in year growth are extremely difficult due to the current pandemic and the unknown future e.g. another spike of positives tests leading to less freedom of movement and also provider market fragility.</li> <li>• (£0.245m) underspend on all operational social work staffing due to anticipated delays in appointing to a number of staff vacancies. This is not sustainable in the longer term.</li> <li>• £0.207m overspend within maintenance and void costs across social care operations mainly with regards to occupational therapy equipment and supported living properties where void costs of properties are not covered by the collection of Housing Benefit of the inhabitants.</li> <li>• £0.160m overspend on transport costs.</li> <li>• (£0.540m) underspend on OT equipment. A decision was made to fund this spend from Capital monies which has freed up the revenue budget.</li> </ul>					
<b>Bereavement Services</b>	<b>Deputy Portfolio Holder Public Health</b>	(263,590)	(264,105)	(515)	<b>Y</b>
Minor variation from budget at Quarter 1.					
<b>Regulatory Services</b>	<b>Portfolio Holder Communities, Place Planning and Regulatory Services</b>	2,736,880	2,712,518	(24,362)	<b>Y</b>
Minor variation from budget at Quarter 1.					
<b>Trading Standards and Licensing</b>	<b>Portfolio Holder Communities, Place Planning and Regulatory Services</b>	655,880	894,258	238,378	<b>R</b>



There is an overspend of £0.238m within the Trading Standards and Licensing section of Adult Services (Public Health). The major variances are as follows:

- £0.265m estimated reduction in income from penalty charge notices and licensing fees as a result of the Covid-19 pandemic. It is anticipated that MHCLG will provide restitution for a level of this lost income and this is factored into the current forecast outturn position.
- £0.325m of unachieved savings in relation to restructuring the services and increasing income that are not expected to be achieved due to resources being assigned to handling the outbreak.
- (£0.090m) underspends due to delays in recruiting to vacant posts.

<b>Registrars and Coroners</b>	<b>Deputy Portfolio Holder Public Health</b>	674,830	771,994	97,164	<b>A</b>
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There is an overspend of £0.097m within the Registrars and Coroners section of Adult Services (Public Health). This forecast overspend is as a result of reduced registration fee income as ceremonies have been limited by Covid-19 legislation. It is anticipated that MHCLG will provide restitution for a level of this lost income and this is factored into the current forecast outturn position.

<b>Non Ring Fenced Public Health Services</b>	<b>Deputy Portfolio Holder Public Health</b>	525,020	502,565	(22,455)	<b>Y</b>
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Minor variation from budget at Quarter 1.

<b>Ring Fenced Public Health Services</b>	<b>Deputy Portfolio Holder Public Health</b>	13,770	129,096	115,326	<b>R</b>
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There is an overspend of £0.115m within the Ring Fenced Public Health section of Adult Services. The major variances are as follows:

- £0.190m of committed savings in relation to the redesign and procurement of sexual health services will not be achieved in 20/21 due to challenges in contract mobilisation that have arisen as a result of the Covid-19 outbreak.
- £0.025m anticipated overspend on the out of hours call monitoring contract which is unlikely to be resolved in 20/21 due to resource constraints.
- (£0.027m) underspends expected in GP and pharmacy payments for public health services.
- (£0.033m) underspends due to delays in recruiting to vacant posts.
- (£0.046m) underspends due to reduced outturn on NHS Healthcheck expenditure.

<b>CENTRAL DSG</b>	<b>Full Year</b>			<b>RAGY</b>
	<b>Budget £</b>	<b>Forecast £</b>	<b>Variance £</b>	
<b>Total</b>	-	-	-	<b>G</b>

<b>Central DSG</b>	<b>Deputy Portfolio Holder Education</b>	-	-	-	<b>G</b>
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There is a £0.100m budget pressure reported against the Early Years Block of DSG. There will be Early Years children who cannot access the free Early Years entitlement at the setting of their choice, either because it is still closed or because they have had to restrict places in order to operate safely within the current guidelines of Covid-19. This has led to the 'double funding' of the nursery places for these children. It is assumed that this cost will fall on the DSG rather than the Council's Covid-19 grant, and that the cost will be funded by the grant.

There is a £0.051m budget pressure on the High Needs Block of DSG, however the SEND team believe that there will be a significant impact once lockdown restrictions are eased and schools re-open. The general costs pressures will be from a higher than "normal" proportion of Children presenting with needs that require top-up funding e.g. increased anxiety, plus an increase in demand for high cost residential placements or contributions towards joint funded high cost placements resulting from an increase in demand for these type of placements.

<b>CHILDREN'S SERVICES</b>	<b>Full Year</b>			<b>RAGY</b>
	<b>Budget £</b>	<b>Forecast £</b>	<b>Variance £</b>	
<b>Total</b>	<b>52,872,990</b>	<b>61,410,635</b>	<b>8,537,645</b>	<b>R</b>

Children's Social Care and Safeguarding	Portfolio Holder Children's Services	32,252,680	40,363,066	8,110,386	R
The overspend in Children's Social Care reflects unachieved savings targets totalling £2.055m as well as ongoing budget pressures, many of which have continued from 2019/20 and mirror the national picture.					
<p>£2.000m unachieved savings relates to the Stepping Stones project which has been partially delayed by Covid-19. The Stepping Stones Project is a strategy based on the successful "No Wrong Door" model in North Yorkshire. The vision is that of a holistic approach to children in care with an individualised, wrap-around support system in place that pulls in key stakeholders to work in a multi-agency hub. This way of working will build on the strong foundations of outreach and short-breaks provision, as well as utilising a property to deliver residential care flexibly and creatively to help repair and prepare children and young people to step down to home or a foster family or onto independent living. The project requires investment in additional staff and property adaptations in order to deliver this £2.000m savings target so is a subject of an invest to save funding bid. Unfortunately, the project has been delayed by Covid-19 so it is forecast that no savings will be delivered in 2020/21.</p>					
<p>The remaining £0.055m unachieved savings relate to the 2 new residential children's homes. Again, the reason for this unachieved saving is Covid-19. While the first new Children's home in Montford Bridge opened in February and is forecast to deliver some savings relating to the 2 children who are accommodated there, the 2nd children's home in Nesscliffe was due to have its Ofsted Registration inspection in April, however due to Covid-19 lockdown restrictions this has been delayed to July. Consequently, the opening of this children's home has been delayed from April/May to August which has impacted on savings delivery.</p>					
<p>The largest overspending area within Children's Social Care is the external residential placements budget. In addition to the £2.055m unachieved savings mentioned above, there is a further budget pressure of £2.490m being reported. As at the end of May 2020, the number of external residential placements continues to rise with 5 new external residential placements since the start of 2020/21 financial year. Although, these types of placement are relatively small in number, they are high cost and we believe there is an increase in demand for this type of placement due to Covid-19 increasing pressure on families during lockdown leading to a rise in neglect and abuse. An ITV News article claims that demand for children's residential placements has increased by 30-50% over the lockdown period. A commissioning and contracts manager was appointed in the 2019/20 financial year to scrutinise high cost residential placements with private providers where the Council is incurring additional costs relating to the child, which may include 1:1 or 2:1 levels of care, therapeutic intervention and education provision. By providing monitoring of these placements to provide assurance of value for money and challenge as to whether the increased levels of support often provided at a start of a placement could be reduced, this post has successfully managed to generate savings of £0.109m in 2019/20 and these savings will be considerably higher in the 2020/21 financial year when we get the full-year effect in these reduction in placement costs plus any new reductions. This post has had the effect of reducing the overall budget pressure on residential placements as well as covering its own cost which shows as an ongoing budget pressure of £0.055m.</p>					
<p>At the end of the 2018/19 financial year, the Council embarked on a strategy to develop additional in-house internal residential provision. One home opened in February 2020 and is operational while the second home is anticipated to open once Ofsted have undertaken their inspection and assessment in July. This process has been delayed due to Covid-19. In the meantime, there is an overspend of £0.382m across all of the Council's internal residential homes. This overspend relates to staffing pressures resulting from Covid-19 whereby existing staff have worked additional hours to provide additional support to the children accommodated at these homes during the pandemic, and staff who were isolating plus the cost of a Project Manager post to oversee the set-up of the 2 new children's homes.</p>					
<p>There is a budget pressure of £1.205m against External Fostering placements. Shropshire has experienced a significant increase in demand for fostering placements over the last few months with 19 new External Fostering placements since the start of the financial year. These placements are fairly high cost with the average weekly cost of an external fostering placement at approx. £800 per week. This budget pressure is explained by a number of factors. Demand has increased due to Covid-19. This is in line with the national picture. There is also a supply side issue that has added to the overspend. Internal fostering placements are considerably cheaper than external fostering placements, however our internal fostering capacity is full. Covid-19 has prevented existing foster carers from taking any new children, while the recruitment of new foster carers which has been a strategy to address the budget pressures in placements has been negatively impacted by Covid-19 with far fewer inquiries from potential new foster carers. Despite the long term impact of Covid-19 on foster care being unknown, Children's Safeguarding are committed to increasing foster placement sufficiency so that the Council can care for more looked after children within a family environment. This is not only in the best interests of the majority of looked after children but will lead to significant financial savings. It should be pointed out that independent fostering placements remain more cost effective than residential placements. The aim is to increase the pool of foster carers and look to identify</p>					



and support foster carers with looking after more complex children. This will reduce demand for expensive residential provision. An ongoing monitoring pressure of £0.242m relates to increased capacity built into the Children's Placement Service to enable the recruitment of more carers and retain and support current carers. A business case was approved to permit this.

There is a budget pressure of £1.107m caused by staffing budget pressures across the rest of Children's Social Care. The majority but not all of this pressure has continued from previous years and relates to agency social workers covering social worker posts. It is necessary to ensure that children who are looked after, on a Child Protection Plan or children in need of a plan are adequately supported in line with statutory timescales and this will dictate that sickness, maternity or temporary vacancy must be covered in the interim through agency staff. The service remains focused on recruitment and retention with a dedicated HR worker in post to support with the timely recruitment of social workers. The recruitment campaign for children's services has been continuous and we are part of a graduate programme Step Up. The service has appointed 8 social work apprentices in January 2020. This strategy in itself has led to a further budget pressure of £0.184m on staffing but should reduce costs over the longer term by ensuring that any vacant social work posts can be filled internally with trainees once they have completed their qualification rather than expensive agency social worker staff. As of June 2020, recruitment remains a real issue with a heavy reliance on agency social workers due to the number of social worker vacancies and the challenges in recruiting to vacant posts. Those staff that are responding to our recruitment campaign tend to be inexperienced ASYE social workers, so agency workers will be required to stay in post for a limited time to support these new social workers until such time that they are able to take on full caseloads. Although growth was built into the budget for a number of social workers posts, this growth has been outstripped by increasing demand caused by rising LAC numbers and as a result there are still a small number of agency social workers who are classed as extra capacity albeit fewer than in 2019/20. As with other areas of Children's Social Care, the staffing budget position has been negatively impacted by Covid-19.

There is a £0.123m relating to Adoption Services. £0.095m relates to the Joint Adoption Service with Telford & Wrekin Council where there are 2 posts in Post Adoption Support that are over and above the budgeted number of posts and an anticipated budget pressure on intra-agency adoption placements. The remaining £0.028m relates to Special Guardianship Allowances. Growth of £0.280m was built into the budget for 2020/21, however we have continued to see an increase in Special Guardianship Orders issued which mirrors the national trend where there has been a steep increase in the number of SGOs over the past 8 years. These are less costly options than residential or fostering placements and give a child more permanence than a regular fostering arrangement.

There is a one-off pressure of £0.157m in the Disabled Children's Team. The majority of this relates to an increase in Disabled Children's Team Direct Payments and prevention and support payments. This reflects an increase in demand for these type of payments and is partly the longer term impact of the temporary closure of the Council's commissioned overnight short breaks provision in 2019.

The remaining £0.110m forecast overspend relates to one-off monitoring pressures on non-staffing budgets such as barrister fees, transport recharges and interpreting fees across several social work teams. The impact of Covid-19 remains on these budget remains unknown as yet.

<b>Early Help, Partnerships and Commissioning</b>	<b>Portfolio Holder Children's Services</b>	2,305,700	2,240,401	(65,299)	Y
The £0.065m one-off monitoring savings are forecast against premises related budgets for the 6 new Family Hubs and also result from in year vacancy management savings.					
On 22nd January 2020, Cabinet approved to cease the current commissioning model and agree a new model of Targeted Youth Support which will be managed in-house as part of Shropshire's Early Help provision. On the basis that this new delivery model will require additional investment to reduce the demand in Children's Social Care. This will have an impact on the Early Help financial position being reported.					
<b>Children's Services Management</b>	<b>Portfolio Holder Children's Services</b>	566,530	634,459	67,929	A
The £0.068m overspend reflects an unachieved contract management saving of £0.046m, plus a £0.020m contract management saving that was only solved on a one-off basis in 2019/20 and carried forward to 2020/21. It is anticipated that both of these unachieved savings will be achieved in the 2021/22 financial year.					
<b>Learning and Skills</b>	<b>Deputy Portfolio Holder Education</b>	17,748,080	18,172,709	424,629	R

The £0.425m forecast overspend reflects projected unachieved savings of £0.036m. £0.100m savings were planned in response to the Council's 2020/21 Central School Services Block DSG allocation from Government being reduced by 20% or £0.428m. While growth of £0.328m was built into the Learning and Skills budget to reflect this, it was anticipated that a further £0.100m reduction could be dealt with through savings by withdrawal of contributions to other service areas or reductions in contracts. To date £0.064m savings have been identified while work is ongoing to identify where the remaining £0.036m saving will be achieved.

The largest projected overspend relates to Home to School Transport with a £0.324m budget pressure being reported. It is important to note that while the Home to School Transport service has had growth built into the budget of £1.809m to increase the net budget to a total of £12.436m, this budget is still short of the 2019/20 final outturn expenditure of £12.719m. The projected outturn position reflects that while expenditure will reduce in some areas of home to school transport as we will benefit from the full-year effect of some 2019/20 savings, there are other areas of Home to School Transport where we will continue to see an increase in passenger numbers and costs. There is an established trend of an increase in SEN passenger numbers, the service has also experienced an increase in the complexity of the needs of the children that are being transported which has had the effect of increasing unit costs per passenger. The introduction of a new Post-19 policy as approved by Cabinet, imposing a duty on the Council to make transport arrangements for adult learners aged 19 and over attending educational institutions has also increased expenditure in this area and 2020/21 will be the first year where we have had the full-year financial impact of this increase in duties. The big unknown with Home to School Transport is the impact of Covid-19. Initially while schools were closed for lockdown, the Council continued to pay 100% of school transport contract rates to contractors until at least 30th June 2020 for continuity and retention purposes. This was subject to strict conditions that providers were available to deliver a full service and not benefiting from the Coronavirus job retention scheme. The unknown relates to the Government's guidance around social distancing on school transport from September when schools re-open. If strict social distancing measures are in place, the consequences for the home to school transport budget could be significantly increased costs through the provision of additional transport.

The remaining £0.065m forecast overspend is the net one-off budget monitoring pressures on non-staffing budgets across a number of service areas. Some of this relates to lost traded income from schools for support services such as Education Psychology Service and Education Welfare Services resulting directly from Covid-19, whilst £0.010m of the £0.065m relates to lost income from truancy penalty notice fines issued to parents of children for unauthorised school absences.

CORPORATE BUDGETS	Full Year			RAGY
	Budget £	Forecast £	Variance £	
<b>Total</b>	<b>(5,373,120)</b>	<b>(22,252,651)</b>	<b>(16,879,531)</b>	<b>Y</b>

<b>Corporate Budgets</b>	<b>Portfolio Holder Finance and Corporate Support</b>	(5,373,120)	(10,405,983)	(5,032,863)	<b>Y</b>
A saving of (£0.693m) was identified in the 2019/20 outturn report against MRP for 2020/21. Additionally, an early review of current budget has identified a further MRP saving (£2.25m) and £2.2m of Section 31 grant is projected as uncommitted for 2020/21.					
<b>Business Continuity - Covid 19</b>	<b>Portfolio Holder Finance and Corporate Support</b>	-	(11,846,668)	(11,846,668)	<b>Y</b>

The Council has received £20.350m non-ringfenced COVID-19 grant, and this is included in the monitoring position within Corporate Budgets, along with the majority of additional one-off costs incurred, such as the purchasing of PPE, delivery of food parcels and the costs of temporary accommodation for rough sleepers. Lost income is shown within the appropriate service areas, to show the impact of COVID-19 on the running of ongoing Council services. As additional one-off costs are forecast to be less than the grant received, an underspend is shown within Corporate Budgets, which will be used to offset, in part, the significant overspends across the Council caused by the pandemic.

FINANCE, GOVERNANCE & ASSURANCE		Full Year			RAGY
		Budget £	Forecast £	Variance £	
<b>Total</b>		<b>2,244,770</b>	<b>2,692,522</b>	<b>447,752</b>	<b>R</b>
<b>Audit Services</b>	<b>Portfolio Holder Finance and Corporate Support</b>	(3,240)	(94,175)	(90,935)	<b>Y</b>
In year savings of (£0.091m) are anticipated from planned vacancy management.					
<b>Finance</b>	<b>Portfolio Holder Finance and Corporate Support</b>	2,440	173,183	170,743	<b>R</b>
Savings totalling £0.170m will not be able to be delivered as planned in year. Alternatives are currently being investigated to establish potential options and what may be able to be delivered in year.					
<b>Pension Administration Services</b>	<b>Portfolio Holder Finance and Corporate Support</b>	35,210	35,210	0	<b>G</b>
No variation from budget at Quarter 1.					
<b>Revenues and Benefits</b>	<b>Portfolio Holder Finance and Corporate Support</b>	1,983,460	2,379,349	395,889	<b>R</b>
Pressures of £0.496m continue to be experienced due to anticipated Housing Benefit Subsidy loss related to an increase in homelessness. Currently the overspend is forecast to be in line with 2019/20. These pressures have partly been offset in year by savings from vacancy management.					
<b>Treasury Services</b>	<b>Portfolio Holder Finance and Corporate Support</b>	20	(306)	(326)	<b>Y</b>
Minor variation from budget at Quarter 1.					
<b>Commissioning Development and Procurement</b>	<b>Deputy Portfolio Holder Procurement</b>	164,720	158,531	(6,189)	<b>Y</b>
Minor variation from budget at Quarter 1.					
<b>Risk Management and Insurance</b>	<b>Portfolio Holder Finance and Corporate Support</b>	62,160	40,730	(21,430)	<b>Y</b>
Minor variation from budget at Quarter 1.					

LEGAL AND DEMOCRATIC SERVICES		Full Year			RAGY
		Budget £	Forecast £	Variance £	
<b>Total</b>		<b>439,370</b>	<b>465,487</b>	<b>26,117</b>	<b>G</b>
<b>Democratic Services</b>	<b>Portfolio Holder Finance and Corporate Support</b>	190	(208)	(398)	<b>Y</b>
Minor variation from budget at Quarter 1.					
<b>Elections</b>	<b>Portfolio Holder Finance and Corporate Support</b>	438,970	504,435	65,465	<b>A</b>
Savings Target of £0.077m relating to grant bids for IER (Individual Electoral Registration) are unlikely to be available as anticipated and are predicted to not be achieved.					
<b>Legal Services</b>	<b>Portfolio Holder Finance and Corporate Support</b>	210	(38,740)	(38,950)	<b>Y</b>
Unachieved savings of £0.050m relating to child care costs have been offset by anticipated savings from vacancy management within Legal Services of (£0.089m).					

PLACE		Full Year			RAGY
		Budget £	Forecast £	Variance £	
<b>Total</b>		<b>57,301,690</b>	<b>65,895,536</b>	<b>8,593,846</b>	<b>R</b>
<b>Head of Commercial Services</b>	<b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b>	95,050	277,657	182,607	<b>R</b>
The adverse variance is due to currently unachievable savings of £0.096m required from administrative buildings. The potential for income generation at administrative buildings has been greatly reduced due to home working. A further saving of £0.050m regarding land acquisition and development has been deemed unachievable and other savings will need to be found to compensate.					
<b>Corporate Landlord</b>	<b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b>	529,200	888,463	359,263	<b>R</b>
Delays (due to Covid-19) in completion of a new building have reduced an expected saving of £0.500m by £0.129m. It is anticipated that these savings may be achieved through other initiatives within the corporate landlord estate. Further rental costs and cleaning costs of £0.230m have also exacerbated the negative position.					
<b>Facilities Management</b>	<b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b>	40	(4,573)	(4,613)	<b>Y</b>
Minor variation from budget at Quarter 1.					
<b>Property Services Group</b>	<b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b>	1,110	51,738	50,628	<b>A</b>
The adverse variance is due to additional payroll costs and Quantity Surveyor consultancy costs, which it is hoped will be balanced by additional income this year.					
<b>Strategic Asset Management</b>	<b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b>	234,840	460,753	225,913	<b>R</b>
Savings of £0.100m from sustainability investments were required in 2019/20. The savings have been achieved however £0.100m is being used to repay the Invest to Save loan and so not being seen as revenue savings in 20/21. Additional costs of £0.060m and an adverse staffing variance of £0.050m account for the majority of the balance.					
<b>Commercial Investment Team</b>	<b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b>	1,413,550	1,027,809	(385,741)	<b>Y</b>
The savings are due to only a partial recruitment of this new team and the departure of one of the incumbent managers. Other savings have also been identified which it is anticipated will be used to offset other required savings in Commercial Services.					
<b>Shire Services</b>	<b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b>	(9,010)	1,167,246	1,176,256	<b>R</b>
The Covid-19 crisis has had a significant impact on this service area. The losses include £0.400m of unachieved savings from previous years which are unlikely to be achieved this year due to the impact the crisis is having on future planning. A review of this area is being undertaken, however the service does not have any reserves to draw down and is likely to need to rely on support from outside the area to reposition itself for the post Covid-19 world. The balance of the forecast overspend that is not due to Covid-19 of £0.080m is due to the repayment of a loan from 19/20 to central funds.					
<b>Director of Place</b>	<b>Portfolio Holder Communities, Place Planning and Regulatory Services</b>	(682,910)	787,020	1,469,930	<b>R</b>
The adverse variances are due to required savings which have not yet been achieved. The savings are as follows:-					

Cornovii housing company £1.025m. The staffing for this enterprise is now in place. However the accumulated recurrent costs to March 21 (estimated at around £0.8m) would need to be met before any profits could be registered.

There are savings required of £0.100m from the HRA and £0.250m regarding temporary housing. These savings will be addressed by the new AD Homes and Communities when she takes post in August, but at present a plan for these savings has not yet been prepared.

This cost centre also holds the contract savings for Place of £0.064m for 19/20 and for 20/21, totalling £0.128m.

<b>Head of Economic Growth</b>	<b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b>	271,060	267,618	(3,442)	Y
Minor variation from budget at Quarter 1.					
<b>Planning Services</b>	<b>Portfolio Holder Communities, Place Planning and Regulatory Services</b>	1,813,220	2,224,393	411,173	R
<p>It is anticipated that Covid-19 will have a significant impact on the service area, particularly affecting income. At this point, initial thoughts are that Land Charges income could be reduced by £0.200m, Building Control could see the commercial activity particularly affected, with employees concentrating efforts on the significant number of enforcement cases, at a cost of £0.240m, Natural &amp; Historic income could be affected by £0.056m, and Planning income anticipated to reduce by £0.173m (net). This is offset by anticipated co-funding reimbursement of £0.280m from MHCLG.</p> <p>The anticipated impact of Covid-19 is considered a worst case and the department anticipates a 'bounce back' of activity in the latter half of the year.</p>					
<b>Economic Growth</b>	<b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b>	1,109,340	1,119,090	9,750	G
Minor variation from budget at Quarter 1.					
<b>Broadband</b>	<b>Deputy Portfolio Holder Broadband</b>	165,870	165,870	0	G
No variation from budget at Quarter 1.					
<b>Planning Policy</b>	<b>Portfolio Holder Housing and Strategic Planning</b>	714,470	706,149	(8,321)	Y
Minor variation from budget at Quarter 1.					
<b>Shrewsbury Shopping Centres</b>	<b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b>	(2,150,470)	(977,402)	1,173,068	R
<p>As fundamental changes in the retail sector continue, the shopping centres have been subject to several pressures including changing lease renewal negotiations, the Coronavirus pandemic and delays in development plans due to Covid-19. These on-going pressures on the budget have created a reduction in rental and service charge income that totals £0.697m (£0.233m of which is solely due to Covid-19).</p> <p>Additional costs of £0.230m for support and consultancy services as a result of the current pressures and developments, and unachieved savings of £0.320m (which may also be attributable to the Covid-19 crisis), are partially offset by savings on rates liabilities of (£0.074m)</p>					
<b>Arts</b>	<b>Portfolio Holder Culture, Leisure, Waste and Communications</b>	68,230	72,321	4,091	G
Minor variation from budget at Quarter 1.					
<b>Highways and Transport</b>	<b>Portfolio Holder Highways and Car Parking</b>	14,520,520	17,473,632	2,953,112	R
<p>It is anticipated that Covid-19 will have a significant impact on the service area, particularly affecting income. At this point initial thoughts are that Streetworks income (net) will be reduced by £0.174m due to less work activity by utility companies and their agents.</p> <p>On-street and off-street parking income (net) may be reduced by £4.434m (currently income has been forecast at zero for Q1, 30% for Q2, 50% for Q3 and 60% for Q4) as a result of lockdown.</p> <p>In addition, it is anticipated that Covid-19 will have a significant impact on costs associated with the provision of public transport, where reduced passenger numbers (and income from fares) will impact the subsidy to the operators. This is estimated at £1.097m after additional Government grant received for this activity.</p> <p>The lost income is offset by anticipated co-funding support for Local Authorities of £2.840m.</p>					



<p>In addition it is estimated that the Covid-19 has delayed implementation of various savings strategies causing further of costs estimated at £0.200m.</p> <p>There is also additional Kier expenditure forecast as the programme to address infrastructure defects (started in the final quarter of 2019/20) continued into the early part of 2020/21, estimated at £0.570m.</p> <p>It is also anticipated that, as a result of the delay of the LED Streetlighting replacement programme, savings from energy and maintenance costs will not materialise in 2020/21. This is estimated at £0.211m.</p> <p>As previously reported, the Enterprise Car Scheme is now operational, whereby employees can use an Enterprise vehicle rather than their own personal vehicle. Currently the savings associated with this scheme will be evident (as a reduction) in other service areas expenditure, however the savings target and costs sit within H&amp;T.</p>					
<b>Shropshire Hills AONB</b>	<b>Portfolio Holder Culture, Leisure, Waste and Communications</b>	34,750	53,487	18,737	G
Minor variation from budget at Quarter 1.					
<b>Outdoor Partnerships</b>	<b>Portfolio Holder Culture, Leisure, Waste and Communications</b>	1,079,060	1,076,268	(2,792)	Y
Minor variation from budget at Quarter 1.					
<b>Leisure</b>	<b>Portfolio Holder Culture, Leisure, Waste and Communications</b>	2,136,680	2,368,408	231,728	R
In relation to income into council run facilities, there is an anticipated shortfall of £0.427m but these losses are however mitigated by reimbursement of staff furlough expenditure and the forecast income support from MHCLG (totalling £0.303m).					
<b>Libraries</b>	<b>Portfolio Holder Culture, Leisure, Waste and Communications</b>	3,419,130	3,471,899	52,769	A
The pandemic has delayed the review of library services which it is anticipated will give rise to annual savings of £0.140m. At this stage it is anticipated that only £0.030m is likely to fall in 2020/21. In addition, the service anticipates net (net of grants receivable) lost revenue income of £0.008m due to Covid-19.					
<b>Museums and Archives</b>	<b>Portfolio Holder Culture, Leisure, Waste and Communications</b>	1,300,610	1,316,480	15,870	G
Minor variation from budget at Quarter 1.					
<b>Theatre Services</b>	<b>Portfolio Holder Culture, Leisure, Waste and Communications</b>	56,920	593,882	536,962	R
It is anticipated that Covid 19 will have a significant impact on the service area, affecting net income received. At this point it is anticipated that there will be a shortfall in income of £1.700m. This forecast assumes that even if social distancing measures are relaxed, enabling some degree of operation, any performances staged will not be income generating. The forecasts assume this will be the case until the end of the year, in addition, the assumption is that the Pantomime will not go ahead and only assumes some degree of normality in the final quarter of the financial year. The income loss is offset by anticipated receipt of income support from MHCLG and income from the furlough Job Retention Scheme.					
<b>Waste Management</b>	<b>Portfolio Holder Culture, Leisure, Waste and Communications</b>	30,905,560	30,718,539	(187,021)	Y
A reduction to the rate of inflation at the end of 2019/20 means that contract costs in 2020/21 are forecast to be lower than budgeted for. The forecast underspend assumes a landfill tonnage in line with last year's and any increase in the volume of waste sent to landfill will reduce the forecast underspend.					
<b>Head of Infrastructure and Communities</b>	<b>Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration</b>	195,310	314,319	119,009	R
The forecast expenditure includes recruitment and part year costs for the new Assistant Directors for Place.					
<b>Head of Culture, Leisure &amp; Tourism</b>	<b>Portfolio Holder Culture, Leisure, Waste and Communications</b>	79,560	274,471	194,911	R
This is due to the allocation of salary costs of managers within Culture, Leisure and Tourism and is partly offset by salary savings within Outdoor Partnerships. A full review of Culture, Leisure and Tourism areas has been commenced to identify potential savings and efficiencies throughout the services.					

STRATEGIC MANAGEMENT BOARD	Full Year			RAGY
	Budget £	Forecast £	Variance £	
<b>Total</b>	<b>(380)</b>	<b>(115,180)</b>	<b>(114,800)</b>	<b>Y</b>

<b>Strategic Management Board</b>	<b>Leader and Portfolio Holder Strategy</b>	(380)	(115,180)	(114,800)	<b>Y</b>
Savings of (£0.115m) are anticipated from planned vacancy management. Recruitment plans are to be confirmed and the savings may reduce later in the year.					

WORKFORCE AND TRANSFORMATION	Full Year			RAGY
	Budget £	Forecast £	Variance £	
<b>Total</b>	<b>(578,450)</b>	<b>2,273,333</b>	<b>2,851,783</b>	<b>R</b>

<b>Customer Services</b>	<b>Portfolio Holder Finance and Corporate Support</b>	332,180	170,502	(161,678)	<b>Y</b>
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In year savings of (£0.162m) are anticipated across Customer Services from a combination of planned vacancy management and reductions in systems costs.

<b>ICT Digital Transformation Project</b>	<b>Portfolio Holder Organisational Transformation and Digital Infrastructure</b>	(2,146,100)	640,509	2,786,609	<b>R</b>
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Combined savings targets relating to the “single front door”, the wider Digital Transformation Programme and potential organisational transformation of £2.787m have not yet been achieved. Work is ongoing to identify and confirm how these savings can be delivered.

<b>ICT Services</b>	<b>Portfolio Holder Organisational Transformation and Digital Infrastructure</b>	1,251,990	1,582,742	330,752	<b>R</b>
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Savings of £0.490m have been delayed partly due to Covid-19 preventing implementation of changes and contracts as planned. These unachieved savings have been partly offset by anticipated in year savings of (£0.159m) across printing, supplies and services, and vacancy management.

<b>Communications</b>	<b>Portfolio Holder Culture, Leisure, Waste and Communications</b>	6,310	16,993	10,683	<b>G</b>
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Minor variation from budget at Quarter 1.

<b>Information, Intelligence and Insight</b>	<b>Portfolio Holder Organisational Transformation and Digital Infrastructure</b>	40	(80,824)	(80,864)	<b>Y</b>
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Savings are anticipated in year relating to vacancy management and supplies and services spending (0.078m).

<b>Human Resources and Organisational Development</b>	<b>Portfolio Holder Finance and Corporate Support</b>	(22,870)	(56,589)	(33,719)	<b>Y</b>
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Savings targets £0.055m are being offset by vacancy management savings.

**Appendix 2: Amendments to Original Revenue Budget 2020/21**

£000	Total	Adult Services	Children's Services	Corporate Budgets	Finance, Governance and Assurance	Legal and Democratic Services	Place	Strategic Management Board	Workforce and Transformation
Original Budget as Agreed by Council	225,522	118,755	52,873	(5,514)	2,245	439	57,302	(0)	(578)
<b>Quarter 1</b>									
Correction of budget setting error	0	(141)		141					
Q1 Revised Budget	225,522	118,615	52,873	(5,373)	2,245	439	57,302	(0)	(578)

**Details of virements over £140,000 and below £500,000, reported to Cabinet for information**

Quarter 1:

- A budget virement of £0.141m has taken place at Quarter 1 to correct an error that had taken place at budget setting. A budget for pay inflation had been incorrectly allocated to posts within Adult Services that are grant funded. The corresponding grant income should fund any increase in costs of the posts, rather than the Council's base budget.

**Proposed virements between £500,000 and £1m for Cabinet approval**

Quarter 1: None.



**Appendix 3 – Capital Budget And Expenditure 2020/21****Shropshire Council - Capital Programme 2020/21- 2023/24****Capital Programme Summary - Quarter 1 2020/21**

Directorate	Revised Budget Outturn 2019/20 £	Budget Virements Q1 £	Revised Budget Q1 2020/21 £	Actual Spend 01/07/20 £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2021/22 Revised Budget £	2022/23 Revised Budget £2	2023/24 Revised Budget £
<b>General Fund</b>											
Place	74,206,645	-	74,206,645	1,973,830	72,232,815	2.7%	74,473,772	-	56,934,566	75,709,635	-
Adult Services	8,504,734	-	8,504,734	275,171	8,229,563	3.2%	8,237,607	-	3,200,000	3,200,000	-
Children's Services	17,869,859	-	17,869,859	656,592	17,213,267	3.7%	17,869,859	-	11,000,000	5,500,000	-
Workforce & Transformation	2,394,901	-	2,394,901	98,853	2,296,048	4.1%	2,394,901	-	-	-	-
<b>Total General Fund</b>	<b>102,976,139</b>	<b>-</b>	<b>102,976,139</b>	<b>3,004,446</b>	<b>99,971,693</b>	<b>2.9%</b>	<b>102,976,139</b>	<b>-</b>	<b>71,134,566</b>	<b>84,409,635</b>	<b>-</b>
Housing Revenue Account	24,938,679	-	24,938,679	68,062	24,870,617	0.3%	24,938,679	-	18,700,000	18,700,000	-
<b>Total Approved Budget</b>	<b>127,914,818</b>	<b>-</b>	<b>127,914,818</b>	<b>3,072,508</b>	<b>124,842,310</b>	<b>2.4%</b>	<b>127,914,818</b>	<b>-</b>	<b>89,834,566</b>	<b>103,109,635</b>	<b>-</b>

Potfolio Holder	Revised Budget Outturn 2019/20 £	Budget Virements Q1 £	Revised Budget Q1 2020/21 £	Actual Spend 01/07/20 £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2021/22 Revised Budget £	2022/23 Revised Budget £2	2023/24 Revised Budget £
<b>General Fund</b>											
Adult Social Services & Climate Change - Dean Carroll	8,237,607	-	8,237,607	275,171	7,962,435	3.3%	8,237,607	-	3,200,000	3,200,000	-
Assets, Economic Growth & Regeneration - Steve Charmley	44,453,155	-	44,453,155	(148,637)	44,601,792	-0.3%	44,453,155	-	20,000,000	20,000,000	-
Children's Services - Ed Potter	17,869,859	-	17,869,859	656,592	17,213,267	3.7%	17,869,859	-	11,000,000	5,500,000	-
Communities, Place Planning & Regulatory Services - Gwilym Butler	267,127	-	267,127	-	267,127	0.0%	267,127	-	-	-	-
Culture, Leisure, Waste & Communications - Lezley Picton	352,772	-	352,772	591	352,181	0.2%	352,772	-	-	-	-
Highways & Car Parking - Steve Davenport	26,936,263	-	26,936,263	2,020,650	24,915,613	7.5%	26,936,263	-	35,334,566	55,709,635	-
Housing & Strategic Planning - Robert Macey	2,464,455	-	2,464,455	101,313	2,363,229	4.1%	2,464,455	-	1,600,000	-	-
Organisational Transformation & Digital Infrastructure - Lee Chapman	2,394,901	-	2,394,901	98,853	2,296,048	4.1%	2,394,901	-	-	-	-
Public Health - Rob Gittins	-	-	-	-	-	0.0%	-	-	-	-	-
<b>Total General Fund</b>	<b>102,976,139</b>	<b>-</b>	<b>102,976,139</b>	<b>3,004,532</b>	<b>99,971,693</b>	<b>2.9%</b>	<b>102,976,139</b>	<b>-</b>	<b>71,134,566</b>	<b>84,409,635</b>	<b>-</b>
Housing Revenue Account - Lee Chapman	24,938,679	-	24,938,679	67,975	24,870,617	0.3%	24,938,679	-	18,700,000	18,700,000	-
<b>Total Approved Budget</b>	<b>127,914,818</b>	<b>-</b>	<b>127,914,818</b>	<b>3,072,508</b>	<b>124,842,310</b>	<b>2.4%</b>	<b>127,914,818</b>	<b>-</b>	<b>89,834,566</b>	<b>103,109,635</b>	<b>-</b>

**CAPITAL BUDGET MONITORING REPORT**

Financial Year: 2020/21  
Period: 3

Directorate Service Area	Revised Budget Outturn 2019/20	Budget Virements	Revised Budget Quarter 1	Actual Spend 01/07/2020	Spend to Budget Variance	Outturn Projection	Outturn Projection Variance	2021/22 Revised Budget	2022/23 Revised Budget	2023/24 Revised Budget
<b>Adult Services Capital</b>	<b>8,237,607</b>	-	<b>8,237,607</b>	<b>275,171</b>	<b>7,962,435</b>	<b>8,237,607</b>	-	<b>3,200,000</b>	<b>3,200,000</b>	-
Contracts & Providers	-	-	-	-	-	-	-	-	-	-
Housing Services	6,843,313	-	6,843,313	192,148	6,651,165	6,843,313	-	3,200,000	3,200,000	-
Social Care Operations	1,394,294	-	1,394,294	83,023	1,311,270	1,394,294	-	-	-	-
<b>Children's Services Capital</b>	<b>17,869,859</b>	-	<b>17,869,859</b>	<b>656,592</b>	<b>17,213,267</b>	<b>17,869,859</b>	-	<b>11,000,000</b>	<b>5,500,000</b>	-
Children's Residential Care	618,461	-	618,461	77,408	541,053	618,461	-	-	-	-
Non Maintained Schools	2,088,692	-	2,088,692	11,074	2,077,618	2,088,692	-	4,000,000	-	-
Primary School	11,359,522	-	11,359,522	540,405	10,819,117	11,359,522	-	4,000,000	5,000,000	-
Secondary School	1,113,981	-	1,113,981	20,624	1,093,357	1,113,981	-	2,000,000	-	-
Special Schools	36,796	-	36,796	4,416	32,380	36,796	-	-	-	-
Unallocated School	2,652,407	-	2,652,407	2,664	2,649,743	2,652,407	-	1,000,000	500,000	-
<b>Place Capital - Commercial Services</b>	<b>33,556,151</b>	<b>0</b>	<b>33,556,151</b>	<b>271,085</b>	<b>33,285,067</b>	<b>33,556,151</b>	-	<b>20,000,000</b>	<b>20,000,000</b>	-
Corporate Landlord	33,556,151	-	33,556,151	271,085	33,285,067	33,556,151	-	20,000,000	20,000,000	-
<b>Place Capital - Economic Development</b>	<b>13,361,459</b>	-	<b>13,361,459</b>	<b>(318,496)</b>	<b>13,679,954</b>	<b>13,361,459</b>	-	<b>1,600,000</b>	-	-
Broadband	10,646,123	-	10,646,123	(622,655)	11,268,778	10,646,123	-	-	-	-
Development Management	33,682	-	33,682	-	33,682	33,682	-	-	-	-
Economic Growth	250,880	-	250,880	202,933	47,947	250,880	-	-	-	-
Planning Policy	2,430,773	-	2,430,773	101,226	2,329,547	2,430,773	-	1,600,000	-	-
<b>Place Capital - Infrastructure &amp; Communities</b>	<b>27,289,035</b>	-	<b>27,289,035</b>	<b>2,021,241</b>	<b>25,267,794</b>	<b>27,289,035</b>	-	<b>35,334,566</b>	<b>55,709,635</b>	-
Highways and Transport	26,936,263	-	26,936,263	2,020,650	24,915,613	26,936,263	-	35,334,566	55,709,635	-
Leisure	21,463	-	21,463	591	20,872	21,463	-	-	-	-
Outdoor Partnerships	6,309	-	6,309	-	6,309	6,309	-	-	-	-
Visitor Economy	-	-	-	-	-	-	-	-	-	-
Waste	325,000	-	325,000	-	325,000	325,000	-	-	-	-
<b>Public Health Capital</b>	<b>267,127</b>	-	<b>267,127</b>	-	<b>267,127</b>	<b>267,127</b>	-	-	-	-
Public Health	-	-	-	-	-	-	-	-	-	-
Public Protection	267,127	-	267,127	-	267,127	267,127	-	-	-	-
<b>Workforce and Transformation Capital</b>	<b>2,394,901</b>	-	<b>2,394,901</b>	<b>98,853</b>	<b>2,296,048</b>	<b>2,394,901</b>	-	-	-	-
ICT Digital Transformation - CRM	456,695	-	456,695	1,350	455,345	456,695	-	-	-	-
ICT Digital Transformation - ERP	188,855	-	188,855	94,774	94,081	188,855	-	-	-	-
ICT Digital Transformation - Infrastructure & Architecture	66,012	-	66,012	504	65,508	66,012	-	-	-	-
ICT Digital Transformation - Social Care	185,217	-	185,217	2,225	182,992	185,217	-	-	-	-
ICT Digital Transformation - Unallocated	1,498,122	-	1,498,122	-	1,498,122	1,498,122	-	-	-	-
<b>Housing Revenue Account Capital</b>	<b>24,938,679</b>	-	<b>24,938,679</b>	<b>68,062</b>	<b>24,870,617</b>	<b>24,938,679</b>	-	<b>18,700,000</b>	<b>18,700,000</b>	-
HRA Dwellings	24,938,679	-	24,938,679	68,062	24,870,617	24,938,679	-	18,700,000	18,700,000	-
<b>Total Capital Programme</b>	<b>127,914,818</b>	-	<b>127,914,818</b>	<b>3,072,507.67</b>	<b>124,842,310.39</b>	<b>127,914,818.06</b>	-	<b>89,834,566</b>	<b>103,109,635</b>	-

**Shropshire Council - Capital Programme 2020/21- 2023/24**

Financing	Revised Budget Outturn 2020/21 £2	Budget Virements Q1 £	Revised Budget Q1 2020/21 £	2021/22 Revised Budget £	2022/23 Revised Budget £	2023/24 Revised Budget £
<b>Self Financed Prudential Borrowing</b>	<b>41,770,336</b>	-	<b>41,770,336</b>	<b>30,910,000</b>	<b>30,910,000</b>	-
<b>Government Grants</b>						
Department for Transport	18,014,738	-	18,014,738	25,859,289	54,799,635	-
- Rapid Electric Vehicle Charging Points Grant	11,386	-	11,386	-	-	-
Ministry of Housing, Communities & Local Gov						
- Land Release Fund	280,343	-	280,343	-	-	-
- Housing Infrastructure Fund	250,880	-	250,880	-	-	-
- One Public Estate	-	-	-	-	-	-
Department for Health - Better Care Fund	4,703,354	-	4,703,354	3,200,000	3,200,000	-
Department for Health - HOLD Grant	1,971,962	-	1,971,962	-	-	-
Department for Education						
- Condition Capital Grant	1,528,620	-	1,528,620	1,000,000	500,000	-
- Basic Need Capital Grant	5,663,742	-	5,663,742	1,153,418	-	-
- Devolved Formula Capital	987,930	-	987,930	-	-	-
- Special Provision Funds	681,104	-	681,104	-	-	-
- Healthy Pupils Capital Grant	13,606	-	13,606	-	-	-
- Full Fibre Broadband	156,602	-	156,602	-	-	-
Department for Communities and Local Government						
- Community Housing Fund	361,296	-	361,296	-	-	-
Disabled Facilities Grant (Additional)	-	-	-	-	-	-
Education Funding Agency						
- Early Years Capital Fund	124,009	-	124,009	31,465	-	-
HCA - Travellers	-	-	-	-	-	-
HCA - New Build	3,320,000	-	3,320,000	3,000,000	3,000,000	-
BDUK - Broadband	667,633	-	667,633	-	-	-
Environment Agency	933,379	-	933,379	-	-	-
DEFRA	125,095	-	125,095	-	-	-
Local Enterprise Partnership (LEP) Fund	1,426,940	-	1,426,940	-	-	-
	<b>41,222,618</b>	-	<b>41,222,618</b>	<b>34,244,172</b>	<b>61,499,635</b>	-
<b>Other Grants</b>						
Historic England/English Heritage	-	-	-	-	-	-
Natural England	-	-	-	-	-	-
Other Grants	1,185,437	-	1,185,437	-	-	-
	<b>1,185,437</b>	-	<b>1,185,437</b>	-	-	-
<b>Other Contributions</b>						
Section 106	4,108,571	-	4,108,571	11,265,277	-	-
Community Infrastructure Levy (CIL)	6,315,986	-	6,315,986	2,300,000	-	-
Other Contributions	3,483,598	-	3,483,598	-	-	-
	<b>13,908,155</b>	-	<b>13,908,155</b>	<b>13,565,277</b>	-	-
<b>Revenue Contributions to Capital</b>	<b>5,505,005</b>	-	<b>5,505,005</b>	<b>2,014,293</b>	<b>2,000,000</b>	-
<b>Major Repairs Allowance</b>	<b>6,207,444</b>	-	<b>6,207,444</b>	<b>3,700,000</b>	<b>3,700,000</b>	-
<b>Corporate Resources (expectation - Capital Receipts only)</b>	<b>18,115,824</b>	-	<b>18,115,824</b>	<b>5,400,824</b>	<b>5,000,000</b>	-
<b>Total Confirmed Funding</b>	<b>127,914,818</b>	-	<b>127,914,818</b>	<b>89,834,566</b>	<b>103,109,635</b>	-

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