



Date: Wednesday, 8 September 2021

Time: 10.00 am

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

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CABINET

TO FOLLOW REPORT (S)

9 Financial Monitoring Report Quarter 1 2021/22 (Pages 1 - 32)

Lead Member – Councillor Gwilym Butler – Portfolio Holder for Resources

Report of Executive Director of Resources TO FOLLOW

Contact: James Walton 01743 258915

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<u>Committee and Date</u>
Cabinet
8 th September 2021
10am

<u>Item</u>
<u>Public</u>

FINANCIAL MONITORING REPORT – QUARTER 1 2021/22

Responsible Officer James Walton

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1. Synopsis

- 1.1 This report presents the first quarterly Financial Monitoring Report for 2021/22 and covers the period April 2021 to 30th June 2021. The report outlines the main variances from the original General Fund budget and mitigating plans to bring expenditure in budget by year end.

2. Executive Summary

- 2.1. This report estimates the Council's year end position based on information over the period 1 April 2021 to 30 June 2021. This entire period was delivered within the context of continued Covid-19 restrictions and implications from national lockdowns dating back to 23 March 2020.
- 2.2. The entire 2020/21 financial year was delivered against a backdrop of Covid-19 restrictions and emergency actions and funding. To this end, the approach taken last year was to project controllable and non-controllable costs and build in the assumption that costs attributable to Covid-19 will be funded directly by additional government funding. That assumption held for the entire financial year, resulting in almost 100% application of unringfenced grant against increased pandemic-derived cost pressures and an end of year controllable underspend of £0.655m against a gross budget of £575m.
- 2.3. The macro picture for 2021/22, resulting from over 15 months of unprecedented actions and impacts from Covid-19, will continue to emerge over the year. The wider economic market and demand pressures, driving inflation across supply chains essential to local authorities, are difficult to predict. How, and for how long, Covid-19, lockdown and Brexit implications will influence cost drivers within the sector is difficult to estimate.
- 2.4. Unringfenced government funding of £7.6m has already been fully allocated within the Council's budget with 9 months of the year yet to play out. Further government funding has not been announced and details of grant extensions or additional funding sources is yet to be identified. Unlike last year, it would be

unwise to assume all Covid-19 derived costs can be identified and will be funded, nevertheless some funding could be made available.

- 2.5. To aid modelling within this period of short-term but heightened uncertainty, revenue financial reporting will be guided by a ‘control corridor’ – an estimate of the upper and lower limits of our projections. Within this the Council’s financial system will continue to provide a ‘best estimate’ of our position, but it is anticipated that this will shift, within the control corridor, over the remainder of the financial year.

Control Corridor:

	Estimated Overspend
Upper Estimate	9.731
Lower Estimate	2,591
Current Projection	7,331

- 2.6. The report sets out the projected revenue expenditure for the financial year 2021/22 as at Quarter 1, and the Capital expenditure up to the end of Quarter 1. For capital, any budget increases and decreases and any re-profiling of budgets between 2021/22 and future years are also set out for decision making.

The key issues highlighted by this report are that:

- The projected revenue outturn position is estimated to be between £2.591m and £9.731m.
- The projected General Fund balance as at 31st March 2022 would be below the recommended level, making it difficult to fund additional one-off overspends or shortfalls in income in-year.
- Management action across all areas of the Council is being taken to mitigate uncertainty and reduce the size of the control corridor, bringing the budget closer to balance.
- 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 up to £4.312m.
- The projected capital outturn is £117.933m, in line with the current budget.
- Current capital expenditure of £7.846m, representing 6.7% of the budget at Quarter 1, with 25% of the year elapsed.
- In 2021/22 capital receipts are currently projected to be sufficient to finance the capital programme
- In 2022/23 and 2023/24 onwards capital receipts are currently projected to be lower than those required for the programme to a value of £37.736m and £43.951m respectively. Therefore, urgent action is required to progress assets identified for disposal in both the current and future years.

- 2.7. 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.

- 2.8. 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 Appendix 3).

3. Recommendations

It is recommended that Members:

- A. Note that at the end of Quarter 1 (30th June 2021), the full year revenue forecast is a potential overspend of between £2.591m and £9.731m, with early estimates projected at £7.331m;
- B. Consider the impact of this on the Council's General Fund balance.
- C. Approve a budget virement of £0.932m from Highways to Environment and Transport, as set out in Appendix 7

REPORT

4. Background

- 4.1. Budget monitoring reports are produced monthly for Directors, and quarterly for Cabinet, reporting on the period from May (period 2) to February (period 11) of each financial year, highlighting the anticipated year end projection.
- 4.2. 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.
- 4.3. Capital schemes are also reported on an exception basis, based on being delivered within budget and the expectation of being delivered within scheme timeframe.

5. Revenue Monitoring 2021/22 Budget - Overall Position

- 5.1. The Council approved a gross revenue budget of £554.318m and a net budget of £208.647m at its meeting on 25th February 2021. This net budget is after approving a savings programme of £9.804m.
- 5.2. At Quarter 1, the Council is reporting a forecast service overspend of £7.423m off set by the corporate variance of (£0.092m), resulting in a net budget overspend of £7.331m. This position excludes Covid-19 additional spending and income losses, which will be offset by emergency grant funding. Table below summarises the position by service:

Table 1 - Projected Outturn Variance by Service

Directorate	Current Full Year			RAGY
	Budget (£m)	Forecast (£m)	Variance (£m)	
Adult Services	125.503	125.187	(0.316)	Y
Central DSG	-	-	-	G
Children's Services	65.221	67.501	2.280	R
Resources	1.007	3.464	2.457	R
Place	65.737	68.762	3.025	R
Strategic Management Board	0.000	- 0.023	(0.02)	Y
Service Total	257.468	264.891	7.423	R
Corporate Budgets	(48.850)	(48.942)	(0.092)	Y
Overall Total	208.618	215.949	7.331	R

- 5.3. The forecast year end position for the Council is revised and reported each quarter. Management action is already in train to reduce the projected year-end overspend. The effect of any management decisions taken will be reflected in future reports. A more detailed analysis will be provided with quarter 2 report.
- 5.4. The majority of this overspend derives from the legacy of pandemic restrictions and actions and is summarised at a high level below:
- Children's safeguarding pressures – staffing, agency costs, legal fees c£2.2m
 - Loss of income/market shifts – Car Parking, Shire Services, Shopping Centres, commercial income and property c£2.3m
 - Transformational change – Refocus Programme benefits realisation delay c£1.1m
 - Temporary Housing subsidy loss c£0.9m
- 5.5. The forecast impact of Covid-19 in 2021/22 is included within the monitoring position. The Council has received £7.632m unringfenced Covid-19 grant in 2021/22 and this is fully allocated to additional costs and loss of income incurred (leaving a small contingency for further additional expenditure). At present, there is not forecast to be a revenue budget deficit in 2021/22 as a result of the pandemic. Additional costs and loss of income are detailed in Appendix 2.

6. Update on Savings Delivery

- 6.1. The savings projections for 2021/22 have been RAG rated in order to establish the deliverability of the savings and any potential impact on the outturn projection for the 2021/22 financial year.
- 6.2. The figures presented in Appendix 3 show that 24% of the 2021/22 savings required have been rated as green with a further 44% with plans in place to be delivered (rated amber).
- 6.3. Managers have provided assurance that plans are in place to deliver the savings that have been categorised as amber. There remains a risk that these

savings could impact on the outturn position for 2021/22. 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 Appendix 4.

- 6.4. Non-delivery of the amber rated savings would result in a projected outturn overspend of £11.643m which would leave the General Fund balance at an unsustainable level.

7. Analysis of Outturn Projections including Ongoing Budget Pressures

- 7.1. The forecast outturn position of £7.331m overspend (see paragraph 5.2 above) includes ongoing budget pressures identified, as well as new pressures identified and one-off solutions to reduce the projected overspend. Appendix 5 provides a list of the ongoing budget pressures that the Council is facing and Appendix 6 reconciles the monitoring position to savings delivery, including budget pressures, ongoing and one-off, as well as one-off solutions. Appendix 1 provides further analysis of the projected outturn position for each service area.

8. General Fund Balance

- 8.1. The effect on the Council's reserves of the outturn forecast is detailed below. The Council takes a risk-based approach to determining the target balance for the General Fund. These figures were significantly increased within the risk-based review a few years ago, reflecting the remaining funding gap in these years as set out in the current Financial Strategy, and the significant level of risk associated with the uncertainty over local government funding.
- 8.2. The unaudited General Fund reserve at 31st March 2021 stood at £14.091m, significantly below its optimum desired balance.
- 8.3. Based on the current monitoring position, the General Fund balance would reduce significantly by year-end, to just £6.760m. This is not considered sustainable and as stated elsewhere in the report actions are already agreed to mitigate the overspend in-year.

9. Movement in Capital Programme for 2021/22

- 9.1. The capital budget for 2021/22 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 been a net budget decrease of £49.413m for 2021/22, compared to the position reported at Outturn 2020/21. Appendix 8 summarises the overall movement, between the already approved, changes for Quarter 1 and the programme financing.
- 9.2. Within the financing of the Capital Programme £3.472m is funded from revenue contributions. The major areas of revenue contributions to capital are £1.510m approved towards essential repairs in relation to the Corporate Landlord estate,

£1.616m in ringfenced HRA monies to new build schemes (£0.500m) and housing stock repairs (£1.116m), £0.266m for the Community led Affordable Housing grant scheme and £0.080m to various school schemes.

Actual versus Planned Expenditure to Date

- 9.3. The actual capital expenditure at Quarter 1 is £7.846m, which represents 6.7% 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 delivered about 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.
- 9.4. 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: Adult Services 6.2% (budget £10.230m), Children's Services 12.6% (budget £20.925m), Place 5.5% (budget £76.914m), Workforce & Transformation 1.4% (budget £0.593m), HRA Major Repairs & New Build Programme 3.6% (budget £9.271m).

Capital Receipts Position

- 9.5. 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. Appendix 9 summarises the current allocated and projected capital receipt position across 2021/22 to 2024/25. 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.
- 9.6. The projected capital receipts for the next four years are set out in Appendix 9. Commentary on the position is provided below:
- 9.7. Capital receipts of £22.036m were brought forward from 2020/21 and £0.331m has been generated to date in 2021/22. A further £0.448m is currently projected as 'Green' for 2021/22, the vast majority (£0.441m) of which relates to the sale of HRA properties

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

Cabinet Member (Portfolio Holder)

Local Member

Appendices

Appendix 1 – 2021/22 Projected Budget Variations by Service

Appendix 2 – Covid-19 Additional Expenditure and Income

Appendix 3 – Update on Delivery of 2021/22 Savings Proposals

Appendix 4 – Effect of Non-Delivery of Amber Savings in 2021/22

Appendix 5 – Ongoing Budget Pressures

Appendix 6 – Reconciliation of Monitoring Projections to Savings Delivery

Appendix 7 – Amendments to Original Budget

Appendix 8 – Revised Capital Programme 2021/22

Appendix 9 – Projected Capital Receipts Position

APPENDIX 1

2021/22 PROJECTED BUDGET VARIATIONS BY SERVICE

1.1 Summary

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)

In addition, given the level of savings proposals identified for delivery in 2021/22, 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

	Budget £	Forecast £	Variance £	RAG
Adult Services	125,502,780	125,187,030	(315,750)	Y
Central DSG	-	-	-	G
Children's Services	65,220,940	67,500,801	2,279,861	R
Corporate Budgets	(48,821,230)	(48,913,485)	(92,255)	Y
Finance, Governance & Assurance	2,439,470	2,925,352	485,882	R
Legal & Democratic Services	1,298,210	1,485,950	187,740	R
Place	65,736,920	68,762,294	3,025,374	R
Strategic Management Board	190	(23,280)	(23,470)	Y
Workforce & Transformation	(2,730,470)	(946,895)	1,783,575	R
TOTAL	208,646,810	215,977,768	7,330,958	R

1.2 Detail by Service Area

ADULT SERVICES	Full Year			RAGY	
	Budget £	Forecast £	Variance £		
Total	125,502,780	125,187,030	(315,750)	Y	
Adult Services Business Support and Development	Portfolio Holder Adult Social Care,	3,730,030	3,681,698	(48,332)	Y

	Public Health and Assets				
<p>There is a projected underspend within Business Support and Development of (£0.048m). A summary of the major variances is as follows:</p> <ul style="list-style-type: none"> • (£0.077m) underspend on Business Support. This is largely down to staffing and costs associated with posts, due to anticipated delays in appointing to vacant posts. • £0.027m overspend on Joint Training and the Professional Development Unit. This is largely down to projecting that income targets will not be achieved. Some of these pressures are offset by managed staffing vacancies. 					
Adult Services Management	Portfolio Holder Adult Social Care, Public Health and Assets	3,375,180	3,359,006	(16,174)	Y
Minor variation from budget at Quarter 1					
Provider Services	Portfolio Holder Adult Social Care, Public Health and Assets	3,516,350	3,471,790	(44,560)	Y
<p>There is a projected underspend within Provider Services of (£0.044m). The major variances are as follows:</p> <ul style="list-style-type: none"> • £0.193m overspend across our Internal Day Services. There is a forecast loss of income of £0.120m and a budget pressure of £0.082m relating to 20/21 savings • (£0.053m) underspend at Four Rivers Nursing Home. There is a projected one-off over-achievement of income due to some CHC funded patients at the home. This is offset slightly by a staffing overspend, mainly due to increased use of overtime. • (£0.181m) underspend within our in-house reablement service, START. This is solely down to delays in recruiting staff and carrying vacancies. Further analysis of this is required. 					
Housing Services	Portfolio Holder Adult Social Care, Public Health and Assets	3,101,170	4,141,557	1,040,387	R
<p>There is a projected overspend within Housing Services of £1.040m. The major variances are as follows:</p> <ul style="list-style-type: none"> • (£0.307m) underspend on staffing due to anticipated in-year staff vacancies and an impending staffing restructure. • £0.300m overspend relating to carried forward 20/21 savings. We are anticipating that £0.200m of these savings will be achieved so this pressure is largely one-off in nature. A review is required of the remaining £0.100m saving. • (£0.053m) underspend due to one-off reduced service delivery costs across services such as the Handyperson team and assistive technology events. • £1.101m anticipated overspend on temporary accommodation, due to an unprecedented number of homelessness cases. The nature of the demand also means that the Housing service is incurring large security and repair costs that are not being covered by Housing Benefit payments. Cost savings targets have been proposed by reducing the reliance on more expensive bed and breakfast usage and a review of security costs will shortly commence. This is an ongoing pressure which is unlikely to be fixed in the short-term, and budget growth may be required to address the current growth pressures. 					

Social Care Operations	Portfolio Holder Adult Social Care, Public Health and Assets	107,349,450	106,022,074	(1,327,376)	Y
<p>There is a projected underspend within Social Care Operations of (£1.327m). The major variances are as follows:</p> <ul style="list-style-type: none"> • (£0.400m) underspend within the staffing budget due to delays in recruiting to vacant posts. This is mainly within the community and hospital social work teams. • £0.0246m overspend on delivery costs. The two main pressures are within assistive technology (telecare equipment) and void supported living costs, where the lease costs of a property are not covered by tenants' Housing Benefit income. • (£1.173m) underspend across the purchasing budget. Adult Social Care is not experiencing the level of demography growth anticipated at budget setting. This could still be down to the ongoing effect of Covid-19, so we need to continue to proceed with caution with our ongoing growth assumptions, in case we start to see a boom in numbers. Savings have been achieved with a reduction in reliance on our block purchased beds and we are also generating more Continuing Health Care income than budgeted for, due to the complex nature of the service users we are supporting, meaning that they attract funding contributions from Shropshire CCG. 					
Bereavement Services	Portfolio Holder Adult Social Care, Public Health and Assets	(243,610)	(242,758)	852	G
Minor variation from budget at Quarter 1					
Regulatory Services	Portfolio Holder Adult Social Care, Public Health and Assets	2,951,270	3,039,640	88,370	A
<p>There is a projected overspend of £0.088m within the Regulatory Services section of Adult Services (Public Health). The major variances are as follows:</p> <ul style="list-style-type: none"> • £0.101m estimated reduction in net income, mainly from ecology and pest control as a result of change in legislation. • £0.177m of unachieved savings in relation to restructuring the services and increasing income that are not expected to be achieved, partly due to resources being assigned to handling the Covid-19 outbreak. • (£0.173m) underspends due to delays in recruiting to vacant posts. There is a potential that some of these one-off underspends could be utilised going forward to meet the savings pressure referred to above. • (£0.030m) underspend due to Covid-19 grant income funding staff costs, where staff have been redeployed to Covid-19-related work. • £0.013m overspend related to Environmental Protection running costs. 					
Trading Standards and Licensing	Portfolio Holder Adult Social Care, Public Health and Assets	707,200	706,880	(320)	Y
Minor variation from budget at Quarter 1					
Registrars and Coroners	Portfolio Holder Adult Social Care, Public Health and Assets	687,490	687,554	64	G
Minor variation from budget at Quarter 1					

Non Ring Fenced Public Health Services	Portfolio Holder Adult Social Care, Public Health and Assets	283,390	274,730	(8,660)	Y
Minor variation from budget at Quarter 1					
Ring Fenced Public Health Services	Portfolio Holder Adult Social Care, Public Health and Assets	44,860	44,860	0	G
No variation from budget at Quarter 1					

CENTRAL DSG	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	-	-	-	G

Central DSG	Portfolio Holder Children and Education	-	-	-	G
No variation from budget at Quarter 1					

CHILDREN'S SERVICES	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	65,220,940	67,500,801	2,279,861	R

Children's Social Care and Safeguarding	Portfolio Holder Children and Education	42,998,830	45,099,841	2,101,011	R
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The largest forecast overspend within Children's Social Care relates to staffing. A budget pressure of £0.961m is forecast across the service area. Most of this pressure has continued from the previous financial year 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. Although significant growth of £1.667m was built into the budget for a number of social workers 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. The service remains focused on recruitment and retention but there is an issue around social worker recruitment and retention with national recognition that the number of social workers enrolling on to social worker courses remains static, the Department for Education data predicting an annual shortage of qualifying social workers compared to annual vacancies of 1,720 and rising across all Local Authorities, an increase in the number of qualified social workers leaving the profession compared to the number of new entrants and an increase in demand which is highly

anticipated to only increase further as recent COVID-19 restrictions are lifted. Shropshire's geographical location and dispersed population and difference in neighbouring local authorities immediate pay and reward packages has exacerbated these national issues at a local level. The recruitment campaign for children's services has been continuous and we are engaged with the graduate programmes for social work Step Up. The service also embarked on an invest to save strategy to grow our own workforce by creating social workers that are local, with good knowledge of local issues and services, and have a long-term commitment to working in Shropshire. The programme of developing our own Social Work Hub aims to create a local pathway to qualification with preferred providers either being in Shropshire or within reasonable commuting distance. To date 8 social work apprentices were appointed in January 2020 and a further 6 started in January 2021. This strategy of training our own social workers is a long-term strategy that will ensure that the local supply of qualified social workers in the market will be sufficient when future vacancies are advertised.

At the end of the 2018/19 financial year, the Council embarked on a strategy to develop additional in-house internal residential provision. There is an overspend of £0.635m across all of the Council's internal residential homes. This overspend relates to staffing pressures whereby existing staff have worked additional hours to provide additional support to the children accommodated at these homes. A full review of the budgets at the Council's internal residential homes is required to gain a better understanding of this.

There is a £0.199m budget pressure forecast within the Placements budget area. This relates to a shortfall in contributions received from Education and Health partners towards joint funded, Social Care led placements compared with the budgeted amount. What is not reflected in this £2.101m overall Children's Social Care budget pressure is the £1.903m ongoing budget pressure on placements expenditure as this pressure has been offset by the Council's Covid-19 Support Grant this year. It is important to note that this grant contribution is a one-off for 2021/22 hence the £1.903m will be a budget pressure in 2022/23 onwards unless growth is built into the budget or further savings can be achieved in the Placements budget area through stepping-down children from higher cost placements to lower cost placements where appropriate. The Stepping Stones Project Invest to Save strategy is a long term strategy with a system-wide transformation to provide an integrated service for young people who are either in care, edging to, or on the edge of care to ensure that the young person is not passed from service to service but instead supported by a dedicated operational team at a multi-disciplinary hub. This project is intended to build capacity in order to allocate resources more effectively. This project is designed to manage the predicted growth in expenditure within placements and to achieve the £2.000m savings outlined within the Council's Financial Strategy whilst enabling the Council to continue to fulfil its statutory duties.

There was a £0.011m budget pressure relating to Adoption Services. £0.093m 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. These 2 posts are critical as part of Shropshire Council's becoming part of a regional adoption agency called Together4Children. This budget pressure is offset by a forecast underspend relating to Special Guardianship Allowances.

The remaining £0.294m overspend relates to one-off monitoring savings on non-staffing budgets such as barrister fees, transport recharges and interpreting fees across several social work teams. Some growth was built into the budget for 2021/22 but these costs have increased in line with the sharp increase in demand elsewhere in the service.

Early Help, Partnerships and Commissioning	Portfolio Holder Children and Education	2,643,610	2,633,096	(10,514)	Y
Minor variation from budget at Quarter 1.					
Children's Services Management	Portfolio Holder Children and Education	690,010	692,384	2,374	G
Minor variation from budget at Quarter 1.					
Learning and Skills	Portfolio Holder Children and Education	18,888,490	19,075,480	186,990	G
<p>The largest forecast overspend within Learning and Skills relates to home to school transport, with a £0.146m overspend forecast against a £12.703m budget.</p> <p>The main area of expenditure growth in home to school transport is within the SEND transport budgets. Here, we have seen a 20% increase in actual expenditure from 2017/18 to 2020/21. The reasons for this are a combination of increased SEND passenger numbers, increased complexity of passengers leading to more bespoke transport arrangements and increased parental expectations as a result of increased knowledge and awareness of the guidance. Within this budget area, we have seen a particularly large increase in relation to transport costs for the Council's pupil-referral unit. This is as a consequence of an unprecedented increase in passenger numbers and more bespoke transport arrangements.</p> <p>The remaining £0.041m overspend relates to one-off budget monitoring pressures within Learning and Skills business support and the Educational Psychology Service.</p>					

CORPORATE BUDGETS	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	(48,821,230)	(48,913,485)	(92,255)	Y

Corporate Budgets	Portfolio Holder Resources	(48,850,130)	(48,942,385)	(92,255)	Y
Savings of (£0.008m) have been identified from interest receivable budgets, and (£0.084m) has been identified against MRP budgets.					
Business Continuity – Covid-19	Portfolio Holder Resources	28,900	28,900	-	G
No variation from budget at Quarter 1.					

FINANCE, GOVERNANCE & ASSURANCE	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	2,439,470	2,925,352	485,882	R

Audit Services	Portfolio Holder Resources	160	(81,721)	(81,881)	Y
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Please contact James Walton on 01743 258915

Savings identified in year are from expected vacancy management. There are plans to recruit to vacant posts and, therefore, the saving is likely to reduce in future forecasts.

Finance	Portfolio Holder Resources	4,340	51,617	47,277	G
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Due to pressures across Finance it has been necessary to bring in additional staffing resource via agencies, resulting in increased costs for this financial year. A review of budgets will take place to identify any potential savings to offset the additional expenditure and a revised position will be presented at Quarter 2.

Pension Administration Services	Portfolio Holder Resources	60,720	68,040	7,320	G
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Minor variation from budget at Quarter 1.

Revenues and Benefits Team	Portfolio Holder Resources	2,463,910	2,221,606	(242,304)	Y
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There are savings identified at Quarter 1 relating to vacancy management. It is likely that some of these vacancies will need to be recruited to in-year and that the identified savings will reduce. However, this will likely be offset by the receipt of some one-off “new burdens” grant funding.

Housing Benefit	Portfolio Holder Resources	(385,860)	491,332	877,192	R
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Pressures regarding the Housing Benefit subsidy continue to be experienced in the current financial year. In 2021/22 this service area is forecast to benefit from (£1.182m) of the unringfenced Covid-19 grant, meaning that a significant budget gap remains to be resolved in future years.

Treasury Services	Portfolio Holder Resources	10	(55,235)	(55,245)	Y
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In-year savings are expected from the generation of increased income for services provided to SCPF.

Commissioning Development and Procurement	Portfolio Holder Resources	150,700	115,829	(34,871)	Y
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There are expected savings from vacancy management.

Risk Management and Insurance	Portfolio Holder Resources	145,490	113,884	(31,606)	Y
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An underspend is forecast on staffing, however, budgets where savings are expected from vacancy management may be required to support additional staffing requirements later in the year. The service is currently being reviewed and additional resources may be required for the future.

LEGAL AND DEMOCRATIC SERVICES	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	1,298,210	1,485,950	187,740	R

Democratic Services	Portfolio Holder Resources	90	(4,905)	(4,995)	Y
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Minor variation from budget at Quarter 1.

Elections	Portfolio Holder Resources	1,282,050	1,269,439	(12,611)	Y
Minor variation from budget at Quarter 1.					
Legal Services	Portfolio Holder Resources	16,140	(38,164)	(54,304)	Y
In-year savings have been identified, mainly from vacancy management within the service. These savings are not sustainable for future years.					
Legal Services – Child Care	Portfolio Holder Resources	(90)	259,560	259,650	R
The pressure against legal child care costs continues to increase and is being monitored closely. A review of options is currently being undertaken to establish if there is an opportunity to reduce these costs for the future, in order to address the increasing budget gap.					
Information Management & Governance	Portfolio Holder Digital / Technology / Data and Insight	20	20	-	G
No variation from budget at Quarter 1.					

PLACE	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	65,736,920	68,762,294	3,025,374	R

Director of Place	Portfolio Holder Communities, Place, Tourism and Transport	838,950	838,118	(832)	Y
Minor variation from budget at Quarter 1					
Assistant Director Commercial Services	Portfolio Holder Adult Social Care, Public Health and Assets	95,660	198,588	102,928	R
This forecast overspend relates to an unachieved savings target of £0.090m in relation to contract negotiations. A further pressure includes a consultancy review in relation to Shire Services, resulting in unbudgeted expenditure of £0.013m.					
Corporate Landlord	Portfolio Holder Adult Social Care, Public Health and Assets	1,231,520	1,441,995	210,475	R
There is £0.092m unbudgeted expenditure in relation to Shropshire Local. A business case is being drafted to secure the funding, however, in the meantime this remains a pressure within Corporate Landlord. The remaining variance relates to unachieved savings in relation to the efficiencies within administrative buildings savings target - At a time of transition in the use of admin buildings, the Strategic Asset Management team is working to achieve this target in the long-term. The uncertainty around the future needs within admin buildings is making this challenging.					

Property Services Group	Portfolio Holder Adult Social Care, Public Health and Assets	(157,830)	(159,437)	(1,607)	Y
Minor variation from budget at Quarter 1.					
Property & Development	Portfolio Holder Adult Social Care, Public Health and Assets	208,690	451,395	242,705	R
Delays to projects and the collapse of a potential acquisition relating to commercial investment has resulted in £1.315m currently being forecast as an unachievable saving against the commercial investment savings target this year. The majority of this is offset by one-off savings on MRP (£0.889m) and by a lease surrender (£0.326m). There is also a £0.070m pressure due to the need for additional valuations across a significant portion of the estate which were not budgeted for.					
Commercial Services Business Development	Portfolio Holder Adult Social Care, Public Health and Assets	-	968	968	G
Minor variation from budget at Quarter 1					
Climate Change	Portfolio Holder Climate Change, Natural Assets and the Green Economy	6,810	6,810	-	G
No variation from budget at Quarter 1					
Shire Services	Portfolio Holder Adult Social Care, Public Health and Assets	429,100	1,121,606	692,506	R
This area has an historic £0.401m savings target which is currently projected as unachievable. In addition, in the service area's budget setting process, further deficits of £0.221m have been identified which the service is seeking to address, however a number of Shropshire schools have tendered notice for their contract and this will result in further losses.					
Assistant Director Economy & Place	Portfolio Holder Economic Growth, Regeneration and Planning	263,820	270,697	6,877	G
Minor variation from budget at Quarter 1					
Planning Services	Portfolio Holder Economic Growth, Regeneration and Planning	2,016,840	2,002,793	(14,047)	Y
Minor variation from budget at Quarter 1					
Economic Growth	Portfolio Holder Economic Growth, Regeneration and Planning	1,150,670	1,191,047	40,377	G

Shropshire Council has committed to contribute towards external organisations (Marches LEP and Shropshire Chamber of Commerce). Previously these contributions have been offset by other savings within the service which are not available in 2021/22.

Broadband	Portfolio Holder Economic Growth, Regeneration and Planning	171,870	171,870	-	G
No variation from budget at Quarter 1					
Planning Policy	Portfolio Holder Economic Growth, Regeneration and Planning	839,650	790,123	(49,527)	Y
The previous service manager is now undertaking a new role within the organisation. It is anticipated that there will be vacancies throughout the team as new appointments are made during 2021/22. However, there is an element of uncertainty over the ongoing need for further consultancy work given the upcoming Examination in Public. This will be reviewed in subsequent monitoring.					
Shrewsbury Shopping Centres (Commercial)	Portfolio Holder Economic Growth, Regeneration and Planning	(121,530)	456,555	578,085	R
As fundamental changes in the retail sector continue, the Darwin Shopping Centre has been subject to several pressures including negotiating less favourable lease renewals, tenants leaving and delays to relocations from Pride Hill. These pressures on the budget have created an estimated projected reduction in income that totals £0.774m. This reduction in income is partially offset by savings of (£0.234m) on premises-related expenditure. Further pressures come from estimated projected overspends of £0.180m on bad debt provision (£0.151m of which is offset by Covid-19 support grants). Further overspends on the shopping centre management of £0.006m are a result of additional on-shoring legal fees relating to last year.					
Shrewsbury Shopping Centres (Development)	Portfolio Holder Economic Growth, Regeneration and Planning	512,770	407,530	(105,240)	Y
Whilst gaining vacant possession of the Pride Hill centre continues, ongoing enabling works continue to mitigate for rates liabilities. Savings projected are a result of underspends on premises-related expenditure of (£0.109m) and increased income of (0.013m) due to additional rent not previously projected for the Gap site. Meanwhile, Riverside shopping centre retains some tenants on inclusive leases and there are estimated projected budget pressures on premises-related expenditure of £0.011m and rental income of 0.006m.					
Assistant Director Infrastructure	Deputy Leader and Portfolio Holder Physical Infrastructure, Highways and Built Housing	224,540	212,799	(11,741)	Y
Minor variation from budget at Quarter 1					
Environment and Transport	Portfolio Holder Communities, Place,	7,731,290	8,262,458	531,168	R

	Tourism and Transport				
<p>Public Transport:- There are no significant variances anticipated with the provision of public transport, but there will be some legacy costs resulting from the pool car provision until the scheme is revised in light of new working arrangements and future requirements.</p> <p>Street Cleansing and Grounds Maintenance:- There are no significant variances anticipated in this service area at this stage.</p> <p>Parking:- It remains difficult to assess the continued impact of Covid-19, the speed of recovery and the new behaviours that are starting to emerge. In addition, there is also the loss of the Smithfield car park in Bridgnorth. A combination of these factors is anticipated to have a significant impact on net parking income in 2021/22; currently estimated at £1.745m, with an estimated Covid-19 loss of income support grant of (£1.250m), reducing the net position to a shortfall of £0.495m.</p> <p>Strategic:- Currently it is estimated that recharging staff costs to capital projects will reduce net revenue costs by (£0.030m).</p>					
Highways	Deputy Leader and Portfolio Holder Physical Infrastructure, Highways and Built Housing	9,329,390	9,714,227	384,837	R
<p>Highways (Operations) - Whilst significant improvements have been made to reduce the cost per repair, and a policy of permanent repairs wherever possible has been adopted (less repairs of a temporary nature), it continues to remain a challenge to adequately resource and deliver revenue repairs within the current budgets. At this point it is anticipated that this service area will incur additional costs of £0.231m.</p> <p>Highways (Bridges, Structures and Drainage) - Again, with this service area the focus is to deliver permanent (capital) improvements to the network, however, there continues to be pressure to deliver the revenue activities within the current revenue budgets. It is anticipated that there will be additional costs of £0.050m. A large proportion of this is associated with legal expenses.</p> <p>Highways (Streetworks) - For 2021/22 the net income target has been increased significantly. At this point there is some uncertainty as to whether this increased income will be fully achieved. Currently the shortfall is estimated at £0.034m.</p> <p>Highways (Governance) - Further to the notes above, it is anticipated that the service will require additional resource in the assessment of asset condition and planning/programming of works, currently estimated at £0.069m.</p>					
Waste Management	Portfolio Holder Climate Change, Natural Assets and the Green Economy	31,693,810	31,963,228	269,418	G
<p>The forecast overspend of £0.269m is derived from estimates for the collection volume adjustment (directly related to the additional number of households waste is collected from compared to the base case model) and the landfill reconciliation payment, which is the difference between the expected landfill and the actual landfill in a financial year. As the year progresses, we are hopeful that landfill tonnages per month will reduce, reducing the total landfill payment due for the year, and therefore reducing the forecast overspend.</p>					
Assistant Director Homes and Communities	Portfolio Holder Communities, Place,	105,880	105,880	-	G

	Tourism and Transport				
No variation from budget at Quarter 1					
Housing Development and HRA	Portfolio Holder Communities, Place, Tourism and Transport	49,940	49,940	-	G
No variation from budget at Quarter 1					
Head of Culture, Leisure & Tourism	Portfolio Holder Communities, Place, Tourism and Transport	322,470	346,740	24,270	G
Minor variation from budget at Quarter 1					
Arts	Portfolio Holder Communities, Place, Tourism and Transport	72,470	52,797	(19,673)	Y
Minor variation from budget at Quarter 1					
Shropshire Hills AONB	Portfolio Holder Communities, Place, Tourism and Transport	40,300	40,300	(0)	Y
No variation from budget at Quarter 1					
Outdoor Partnerships	Portfolio Holder Communities, Place, Tourism and Transport	1,189,210	1,189,210	-	G
Minor variation from budget at Quarter 1					
Leisure	Portfolio Holder Communities, Place, Tourism and Transport	2,455,650	2,455,650	-	G
No variation from budget at Quarter 1					
Libraries	Portfolio Holder Communities, Place, Tourism and Transport	3,411,380	3,467,948	56,568	A
The Library Service is undergoing a 'transformation review' which will report in the summer of 2021. Part of this work is to deliver the £0.071m recurrent savings target, the benefits of which will not be seen until 21/22. This adverse variance has been offset in part by vacancy management savings.					
Museums and Archives	Portfolio Holder Communities, Place, Tourism and Transport	1,465,190	1,551,198	86,008	A
Acton Scott Farm Museum has had to close from 1st July and no income is anticipated for the remaining 9 months of the year. This has caused the projected outturn for the farm to give rise to an adverse variance of					

£0.096m.

This loss has been offset in part by additional contributions from external partners and other reductions in expenditure at the other museum sites.

Theatre Services	Portfolio Holder Communities, Place, Tourism and Transport	158,410	159,260	850	G
Minor variation from budget at Quarter 1					

STRATEGIC MANAGEMENT BOARD	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	190	(23,280)	(23,470)	Y

Chief Executive & PAs	Leader and Portfolio Holder Strategy	190	(23,280)	(23,470)	Y
Minor variation from budget at Quarter 1.					

WORKFORCE AND TRANSFORMATION	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	(2,730,470)	(946,895)	1,783,575	R

Customer Services	Portfolio Holder Digital / Technology / Data and Insight	609,860	500,481	(109,379)	Y
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Savings have been identified from the reduction of contract costs relating to service delivery of face to face services and from vacancy management.

ICT Digital Transformation Project	Portfolio Holder Digital / Technology / Data and Insight	(2,545,830)	(180,530)	2,365,300	R
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This area contains the historic DTP savings target for the Council which has not been achieved. Partial savings for printing and postage have been identified and are incorporated into this forecast, pending a virement to allocate them out to services.

ICT Services	Portfolio Holder Digital / Technology / Data and Insight	128,210	(3,847)	(132,057)	Y
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Budget pressures in relation to software licensing of £0.185m, and in relation to external income generation of £0.070m, have been partly offset by in-year vacancy management savings.

Communications & Engagement	Portfolio Holder Digital / Technology / Data and Insight	5,640	53,593	47,953	G
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External income has been lost due to two service level agreements coming to an end. These losses have been partly offset by one-off staffing efficiencies.

Information, Intelligence and Insight	Portfolio Holder Digital / Technology / Data and Insight	(108,730)	(225,861)	(117,131)	Y
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Vacancy management efficiencies across Information, Intelligence and Insight have identified in-year savings at Quarter 1.

Human Resources and Organisational Development	Portfolio Holder Resources	(819,620)	(1,090,730)	(271,110)	Y
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Vacancy management efficiencies across Human Resources and Organisational Development have identified in-year savings at Quarter 1.

APPENDIX 2

COVID-19 ADDITIONAL EXPENDITURE AND LOSS OF INCOME

2.1 Summary

2021/22 Forecast Covid-19 Funding Position

2021/22 Covid-19 Un-Ringfenced Grant **7,632,211**

Forecast Additional Costs 3,723,890

Forecast Loss of Income 3,908,321

Total Forecast Use of Grant **7,632,211**

2.2 Detail

Covid-19 Additional Expenditure Area (Included within Corporate Budgets within Monitoring Position)	Expenditure as at 30th June 2021 (£'000)	Forecast Expenditure to 31st March 2022 (£'000)
Adult Social Care	23	55
Children's Social Care	84	2,623
Learning and Skills	9	9
Legal Services (Child Care)		95
Democratic Services	2	2
Economic Growth		180
Highways and Transport	31	32
Leisure		268
PPE		25

Lockdown Compliance and Reopening Costs	4	25
Employee Homeworking Allowance		297
Contingency		114
Total	153	3,724

Covid-19 Loss of Income	2021/22 Forecast Net Loss of Income Due to Covid-19 (£'000)
Service Area	
Adult Social Care Provider Services	15
Housing	15
Registrars	145
Trading Standards and Licensing	60
Learning and Skills	58
Revenues and Benefits	1,182
Corporate Landlord	221
Shrewsbury Shopping Centres	151
Environment and Transport - Parking	1,250
Waste Management	236
Leisure	95
Libraries	5
Museums and Archives	52
Theatre Services (Net figure is after application of Cultural Recovery Fund grant)	385
HRA	38
Total	3,908

APPENDIX 3

UPDATE ON DELIVERY OF 2021/22 SAVINGS PROPOSALS

3.1 Summary

The savings projections for 2021/22 have been RAG rated in order to establish the deliverability of the savings and any potential impact on the outturn projection for the 2021/22 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.

The table below summarises the position as at 30 June 2021:

Service Area	Red £'000	Amber £'000	Green £'000	Total Savings £'000
Adult Services	514	737	1,610	2,861
Central DSG	-	-	-	-
Children's Services	44	2,000	16	2,060
Corporate Budgets	-	-	-	-
Finance, Governance and Assurance	-	-	95	95
Legal and Democratic Services	-	-	-	-
Place	1,407	1,123	595	3,125
Strategic Management Board	-	-	-	-
Workforce and Transformation	1,181	452	30	1,663
Council	3,147	4,312	2,345	9,804
	32%	44%	24%	

Within the 2020/21 outturn report presented to Council on 15th July 2021 there is a commitment to deliver £5.954m of undelivered 2020/21 red savings in 2021/22 on an ongoing basis plus the £3.850m new savings in 2021/22; £9.804m in total.

The figures presented above show that 24% of the 2021/22 savings required have been rated as green with a further 44% with plans in place to be delivered (rated amber).

Managers have provided assurance that plans are in place to deliver the savings that have been categorised as amber. There remains a risk that these savings could impact on the outturn position for 2021/22. 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 Appendix 4.

Non-delivery of the amber rated savings would result in a projected outturn overspend of £11.643m which would leave the General Fund balance at an unsustainable level.

3.2 Breakdown of Red Savings

Ref	Directorate	Service Area	Description	Financial Year Saving Originally Required	2021/22 Saving Required (£'000)	Value Rated Red (£,000)
2A46R	Adult Services	Trading Standards and Licensing	Redesign of Trading Standards and Licensing delivery model	2020/21	175	175
2A46R	Adult Services	Regulatory Services	Redesign of Regulatory Services delivery model	2020/21	175	175
2A03	Adult Services	Housing Services	External income generation	2020/21	100	100
A26	Adult Services	Provider Services	Remodel day services offer	2020/21	64	64
2C10	Children's Services	Children's Social Care and Safeguarding	Reduction in use of agency workers	2020/21	44	44
Ref	Directorate	Service Area	Description	Financial Year Saving Originally Required	2021/22 Saving Required (£'000)	Value Rated Red (£,000)
P41	Place	Assistant Director Commercial Services	Negotiate contract savings upon renewal, through better contract management	2020/21	92	92

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	2020/21	1,181	1,181
P41	Place	Head of Culture, Leisure and Tourism	Negotiate contract savings upon renewal, through better contract management	2021/22	50	50
P35	Place	Corporate Landlord	Efficiencies within administrative buildings	2021/22	500	75
P39	Place	Property and Development	Raise income from investment in assets	2021/22	2,000	1,190
TOTAL					4,382	3,147

APPENDIX 4**EFFECT OF NON-DELIVERY OF AMBER SAVINGS IN 2021/22**

Service Area	Quarter 1 Projected Outturn	Amber Savings	Potential Outturn if Amber Savings not Achieved
	£'000	£'000	£'000
Adult Services	(316)	737	421
Central DSG	-	-	-
Children's Services	2,280	2,000	4,280
Corporate Budgets	(92)	-	(92)
Finance, Governance & Assurance	486	-	486
Legal & Democratic Services	188	-	188
Place	3,025	1,123	4,148
Strategic Management Board	(23)	-	(23)
Workforce & Transformation	1,784	452	2,235
Total	7,331	4,312	11,643

APPENDIX 5**ONGOING BUDGET PRESSURES**

Directorate	Service / Description	Nature of Pressure	Value (£'000)
Adult Services	Housing - Temporary Accommodation	Demography	1,101
Adult Services	Housing	Historic unachieved savings	200
Children's Services	Children's Social Care Placements	Demography	1,903
Children's Services	Children's Social Care - Adoption Services	Staff budget	46
Children's Services	Children's Social Care - Internal Residential Placements	Staff budget	174
Finance, Governance and Assurance	Housing Benefits	Housing Benefit Subsidy loss	1,897
Legal and Democratic Services	Legal Services - Child Care	Demography	340
Place	Shire Services	Historic unachieved savings	401
Place	Environment and Transport (Parking)	Historic unachieved savings	517
Place	Environment and Transport (Parking)	Closure of car park	240
Place	Environment and Transport (Parking)	Changes in behaviour, post pandemic	150
Place	Libraries	Historic unachieved savings	72
Workforce and Transformation	Communications	Lost external SLA income	62
Workforce and Transformation	DTP - Transformation Savings	Historic unachieved savings	1,185
TOTAL			8,288

APPENDIX 6

RECONCILIATION OF MONITORING PROJECTIONS TO SAVINGS DELIVERY

	Q1 Forecast Variance	Savings Pressure in 2021/22	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 Services Business Support & Development	(48)	0			231	(279)
Adult Services Management	(16)	0				(16)
Provider Services	(45)	64			165	(274)
Housing Services	1,040	100	1,301			(361)
Social Care Operations	(1,327)	0			298	(1,625)
Bereavement Services	1	0			13	(12)
Regulatory Services	88	175			116	(202)
Trading Standards and Licensing	(0)	175			5	(180)
Registrars and Coroners	0	0			81	(81)
Non Ring Fenced Public Health Services	(9)	0			31	(40)
Ring Fenced Public Health Services	0	0			470	(470)
Adult Services	(316)	514	1,301	0	1,410	(3,540)
Central DSG						
Central DSG						
Children's Social Care & Safeguarding	2,101	44	2,123	0	3,171	(3,237)
Early Help, Partnerships and Commissioning	(11)	0	0	0	120	(130)
Children's Services Management	2	0	0	0	2	0
Learning and Skills	187	0	0	0	206	(19)
Children's Services	2,280	44	2,123	0	3,499	(3,387)
Corporate Budgets	(92)	0				(92)
Business Continuity – Covid-19	0	0			1,821	(1,821)
Corporate Budgets	(92)	0	0	0	1,821	(1,913)
Audit Services	(82)	0				(82)
Finance	47	0			124	(77)
Pension Administration Services	7	0			7	
Revenues and Benefits Team	(242)	0			278	(520)
Housing Benefits	877	0	1,897			(1,020)
Treasury Services	(55)	0				(55)
Commissioning Development and Procurement	(35)	0				(35)
Risk Management and Insurance	(32)	0				(32)
Finance, Governance and Assurance	486	0	1,897	0	409	(1,821)
Democratic Services	(5)	0				(5)
Elections	(13)	0			11	(24)
Legal Services	(54)	0			3	(57)
Legal Services – Child Care	260	0	340			(80)
Legal and Democratic Services	188	0	340	0	14	(166)
Director of Place	(1)	0				(1)
Assistant Director, Commercial Services	103	92			13	(2)
Corporate Landlord	210	75			356	(221)
Property Services	(2)	0				(2)
Property and Development	243	1,190			268	(1,215)
Commercial Services Business Development	1	0			1	
Climate Change	0	0				
Shire Services	693	0	401		291	
Assistant Director, Economy and Place	7	0			7	

	Q1 Forecast Variance	Savings Pressure in 2021/22	Ongoing Monitoring Pressures Identified	Ongoing Monitoring Savings Identified	One Off Monitoring Pressures Identified	One Off Monitoring Savings Identified
	£000	£000	£000	£000	£000	£000
Planning Services	(14)	0			31	(45)
Economic Growth	40	0			60	(19)
Broadband	0	0				
Planning Policy	(50)	0				(50)
Shrewsbury Shopping Centres – Development Sites	578	0			726	(148)
Shrewsbury Shopping Centres – Commercial Sites	(105)	0				(105)
Assistant Director, Infrastructure	(12)	0				(12)
Highways	385	0			445	(60)
Environment and Transport	531	0	907		1,464	(1,840)
Waste Management	269	0			505	(236)
Assistant Director, Homes and Communities	0	0				
Housing Development and HRA	0	0				
Head of Culture, Leisure and Tourism	24	50				(26)
Arts	(20)	0				(20)
Shropshire Hills AONB	(0)	0				
Outdoor Partnerships	0	0				
Leisure	0	0			130	(130)
Libraries	57	0	72			(15)
Museums and Archives	86	0			148	(62)
Theatre Services	1	0			386	(385)
Place	3,025	1,407	1,380	0	4,831	(4,593)
Strategic Management Board	(23)	0				(23)
Strategic Management Board	(23)	0	0	0	0	(23)
Customer Services	(109)	0				(109)
ICT Digital Transformation Project	2,365	1,181	1,185			(1)
ICT Services	(132)	0			22	(154)
Communications	48	0	62		30	(44)
Information, Intelligence and Insight	(117)	0			8	(125)
Human Resources & Organisational Development	(271)	0				(271)
Workforce and Transformation	1,784	1,181	1,247	0	60	(704)
TOTAL	7,331	3,147	8,288	0	12,043	(16,147)

APPENDIX 7

AMENDMENTS TO ORIGINAL BUDGET 2021/22

£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	208,647	125,503	65,221	(48,821)	2,439	1,298	65,737	0	(2,730)
Quarter 1									
None									
Q1 Revised Budget	208,647	125,503	65,221	(48,821)	2,439	1,298	65,737	0	(2,730)

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

Quarter 1:

None

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

Quarter 2:

Cabinet is requested to approve a budget virement of £932,080 from Highways to Environment and Transport. The budget for the Shrewsbury Town Council grounds maintenance contract is currently within the Highways Management service area, however, contract management responsibility is now with Steve Brown and the Environment and Transport service area. Therefore, approval is requested to 'lift and drop' the budget for the contract from Highways to Environment and Transport.

APPENDIX 8

REVISED CAPITAL PROGRAMME

Detail	Agreed Capital Programme - Council 25/02/21 £m	Slippage & Budget Changes To Outturn 2020/21 £m	2020/21 Slippage & 2021/22 Budget Changes to Period 2 to be Approved £m	Revised 2021/22 Capital Programme Period 2 £m
General Fund				
Adult Services	8.976	4.680	(3.426)	10.230
Childrens Services Place	21.795	4.288	(5.158)	20.925
Workforce & Transformation	98.234	5.432	(26.752)	76.914
	1.000	0.944	(1.351)	0.593
Total General Fund	130.005	15.344	(36.686)	108.663
Housing Revenue Account	20.148	1.849	(12.727)	9.271
Total Approved Budget	150.153	17.193	(49.413)	117.933
Financing				
Self Financed Prudential Borrowing *	47.767	2.875	(31.754)	18.889
Government Grants	53.870	3.625	(1.8969)	55.597
Other Grants	0.000	(0.188)	1.376	1.188
Other Contributions	24.464	3.551	(9.617)	18.397
Revenue Contributions to Capital	4.328	0.894	(1.750)	3.472
Major Repairs Allowance	3.780	0.869	(0.5651)	4.084
Corporate Resources (expectation - Capital Receipts only)	15.945	5.568	(5.2058)	16.307
Total Confirmed Funding	150.153	17.193	(49.413)	117.933

APPENDIX 9

PROJECTED CAPITAL RECEIPTS POSITION

Detail	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Corporate Resources Allocated in Capital Programme	16,306,870	11,997,575	692,045	-
Capital Receipts used to finance redundancy costs				
To be allocated from Ring Fenced Receipts	5,158,009	26,989,257	5,622,314	-
Total Commitments	21,464,879.32	38,986,832	6,314,359	-
Capital Receipts in hand/projected:				
Brought Forward in hand	22,036,427	1,349,766	(37,637,066)	(43,951,425)
Generated 2021/22YTD	330,572	-	-	-
Projected - 'Green'	447,646	-	-	-
Total in hand/projected	22,814,645	1,349,766	(37,637,066)	(43,951,425)
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	(1,349,766)	37,637,066	43,951,425	43,951,425
Further Assets Being Considered for Disposal	16,662,289	13,628,000	18,325,000	2,700,000