



Date: Monday, 3 June 2024

Time: 10.00 am

Venue: Council Chamber, Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND

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## TRANSFORMATION AND IMPROVEMENT OVERVIEW AND SCRUTINY COMMITTEE

### TO FOLLOW REPORT (S)

#### **6 Performance Monitoring Report Quarter 4 2023/24 (Pages 1 - 10)**

To scrutinise performance at quarter 4 and identify issues that may require further investigation by an overview and scrutiny committee.

#### **7 Financial Outturn 2023/24 (Pages 11 - 54)**

To scrutinise the Financial Outturn and identify issues that may require further investigation by an overview and scrutiny committee.

#### **8 Financial Monitoring Period 1 (Pages 55 - 64)**

To scrutinise financial performance at Period 1 and identify issues that may require further investigation by an overview and scrutiny committee.

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**Committee and Date**  
Transformation &  
Improvement Scrutiny  
3<sup>rd</sup> June 2024

Item

Cabinet  
5<sup>th</sup> June 2024

Public



## Performance Monitoring Report Quarter 4 2023/24

|   |                                      |
|---|--------------------------------------|
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| <b>Cabinet Member<br/>(Portfolio Holder):</b>   | Cllr Robert Macey, Culture & Digital |

### 1. Synopsis

The Shropshire Plan clarifies our vision and priorities, aligning our resources to deliver positive outcomes for our people, businesses and communities. Delivery of our outcomes is measured through the developing Performance Management Framework, demonstrating progress to date.

### 2. Executive Summary

#### Overview

The Shropshire Plan (TSP) was created to clarify Shropshire Council's vision, priorities and Strategic Objectives. These objectives reflect the outcomes we aim to achieve within our available financial envelope. We measure the achievement of TSP by monitoring our performance (using Key Performance Indicators (KPIs) to help measure, drive and understand delivery of our Strategic Objectives) and managing our overall financial position (ultimately delivering our outcomes while remaining within our agreed financial envelope).

This the final report for 2023/24 where the focus was to scrutinise our financial management with the aim to create a sustainable financial future. Over the year the need was to closely monitor and review our finances to support delivery of the Medium

Term Financial Strategy (MTFS). We are seeking to rebase our budgets over several years, in line with the outcomes defined in TSP, to secure a modern, efficient, and sustainable base for the Council finances across the 5-year period of the MTFS. This approach is aligned to the recommendations of the LGA peer review and is comparable with the best approaches seen in local government. We will need to make the adjustments each year to ensure financial survival moving towards financial stability and sustainability. Against this backdrop we are seeking to optimise our performance within our available financial envelope. Our plans will focus on economy, efficiency and effectiveness, redefining the way we deliver interventions to optimise delivery of our vision wherever and however possible.

## **Summary**

- 2.1. The focus of the Council in 2023/24 and the immediate future is necessarily directed at the delivery of a balanced budget, and is currently, therefore, the highest priority Strategic Objective within TSP balanced alongside protecting our most vulnerable children. Our new Performance Management Framework has been reviewed and strengthened to align with all our strategic objectives to enable us to become an evidence led performance managed council.
- 2.2. Development of our KPIs will continue with Portfolio Holders, Executive Directors and Assistant Directors identified for each indicator. Targets, tolerances and benchmarks will be clarified over the coming months, where possible, with regularly updated monitoring information published via the performance webpage at - [Performance | Shropshire Council](#) Online performance reporting will be the main source of performance information enabling greater insight and scrutiny of the Council's performance and delivery of its outcomes as set out in TSP.
- 2.3. Through engagement across all Directorates the PMF has been launched with the focus on using data to inform decisions and actions particularly where performance may not be meeting targets and expectations. As part of the necessary arrangements for delivering TSP, the Council has reviewed and updated its approaches to both performance and financial monitoring. Both areas are now more pro-actively informed by timely activity data and are available to a range of officers to help guide decision making. Interactive dashboards using 'PowerBI' are being developed which will show a summary of KPIs for each Healthy priority through to agreed strategic objectives. It will then be possible to drill down into more detailed information for each KPI including status which is RAG (red, amber, green) rated, trend information and benchmarking where available against England and nearest statistical neighbours.
- 2.4. The Q4 Finance report (elsewhere on this agenda) sets out the financial envelope of the Council and how spending plans and patterns are being managed to deliver a balanced budget.
- 2.5. This Q4 Performance report complements the Finance report but provides a different perspective. We may therefore find that the position on KPIs is favourable, but that the finance position is adverse because the activity levels (the cost drivers) are higher than anticipated.
- 2.6. As part of our new approach feedback on the design and usability of the new report and performance webpage is welcomed. A feedback form will be available

for questions and queries, and this will be reviewed with responses provided and published where appropriate alongside the dashboard.

## Key Indicators and Context

- 2.7. The Q4 performance report is written as an exception report with all key performance indicators being provided in the dashboard which should be viewed in conjunction with this report.
- 2.8. The Q4 report is not fully complete with all the agreed performance indicators due to the time taken to implement the new approach, obtain data and the focus on getting it right. Those outstanding are noted in the report. It should also be noted that some of the performance indicators are baseline figures from which targets will be established and then performance monitored against this.
- 2.9. It should be noted that the approach being taken by Shropshire Council is progressive and in advance of many other authorities and places us in a strong position to continually improve our approach to managing performance, identifying areas of under and over performance, and ultimately providing evidence of our ability to deliver the outcomes set out in TSP.

## 3. Recommendations

### Transformation & Improvement Scrutiny Committee

- 3.1. It is recommended that Members of the Transformation & Improvement Scrutiny Committee:
  - 3.1.1. Review and consider performance dashboard information alongside this exception report.
  - 3.1.2. Note progress to date in achieving the outcomes of The Shropshire Plan (TSP) and identify any areas for future consideration by the committee.
  - 3.1.3. Consider that the KPIs currently agreed remain the same for 2024/2025.
  - 3.1.4. The Portfolio Holders consider reviewing the targets for the agreed KPIs with the relevant Executive Director 2024/25.
  - 3.1.5. Consider a new set of KPIs and key deliverables aligned with the review of The Shropshire Plan.

### Cabinet

- 3.2. It is recommended that Cabinet :
  - 3.2.1. Review and consider performance dashboard information alongside this exception report.
  - 3.2.2. Note progress to date in achieving the outcomes of The Shropshire Plan (TSP) and comment as appropriate.
  - 3.2.3. Consider that the KPIs currently agreed remain the same for 2024/2025.
  - 3.2.4. The Portfolio Holders consider reviewing the targets for the agreed KPIs with the relevant Executive Director.
  - 3.2.5. Consider a new set of KPIs and deliverables aligned with the review of The Shropshire Plan.

# Report

## 4. Risk Assessment and Opportunities Appraisal

- 4.1. The management of the Council's Performance Management Framework is a key process in ensuring strategic risks are mitigated and the Council can carry out business as intended and planned for within TSP.
- 4.2. The management of key performance indicators is a key process to monitoring progress in the delivery of outcomes as set out in TSP. This provides insight into whether corrective action is required to bring performance back on track.
- 4.3. The performance reports and dashboards provide a high-level lens into the performance of Shropshire Council allowing for further targeted detail analysis to support the mitigation of any risks identified.
- 4.4. Regular financial reporting is part of the governance and risk management approach within the Council ensuring that it delivers sustainable and value for money services as required under statute. Risk management continues to be an active part of this process, and Officers review potential risk and opportunity scenarios each month. The Council holds two finance related strategic risks regarding managing the current financial situation and so this remains under constant review to consider appropriate management action of the situation.
- 4.5. The dashboards include instructions for use and a feedback form is available for completion should there be questions or feedback. Members will be shown how to use the dashboards.
- 4.6. Monitoring will be in place using the dashboards so any issues can be resolved in a timely manner.
- 4.7. Ultimately, the Council must risk assess the delivery of Strategic Objectives within TSP and adjust, accordingly, to ensure an acceptable balance of outcomes are achieved at a strategic level. This may mean the prioritisation of some objectives over others to react to the evidence presented within the PMF. It may not be possible to achieve optimal performance across all indicators and it may be necessary to oversee expected reductions in performance in some areas to remain within the overall financial envelope.

## 5. Financial Implications

- 5.1. The performance report provides progress on key activity targets which will have correlation to financial performance.
- 5.2. It should be noted that positive improvement on activity may not necessarily correspond to financial improvement, and this should be drawn out in the narrative of the financial and performance reports.

## 6. Climate Change Appraisal

- 6.1. The performance report includes KPIs for Healthy Environment with measures for monitoring Shropshire Council's direction of progress on climate change.
- 6.2. However, Climate Change also has significant implications for Healthy People, a Healthy Economy and a Healthy Organisation and further work to develop additional KPIs, in partnership with the Climate Team should reflect this. Further indicators will be made available as new data becomes available. This will support a positive outcome.

## 7. Background

- 7.1. Quarter 4 – a total of 87 Key Performance Indicators have been added to the Shropshire Plan report. Additional information will be added in the period between writing of this report and its presentation to members.
- 7.2. Information on each of these indicators can be found via the performance webpage at – [The Shropshire Plan Performance Dashboard](#)
- 7.3. The online performance report is now the main source of performance information. This report highlights any exceptions or downturns and explains the causal issues and any corrective actions the service is taking.
- 7.4. In Q4 there are 11 exceptions that have been raised and these are reported in the additional information section below.

## 8. Additional Information

During quarter 4 a total of 7 performance indicators showed an improvement of which the following are the most notable

- HP5 uptake of breast cancer screening,
- HP22 remaining in touch with a high proportion of care leavers,
- HEn6 improved rates of recycling, re-use and composting on last year,
- HEn9a increasing the generation of renewable energy solar,
- HEc18 reduction in number of households in B&B accommodation,
- HEc22 major planning applications processed,
- HO11 staff turnover rates.

There are 11 exceptions to report this quarter.

### 8.1. **HP18 Assessment timeliness: within 45 working days.**

A focus on completing out of date assessments has resulted in a dip in performance. The front door assessment performance remains strong, assessments that are open on children already being worked with do go out of

time more easily as they are live and evolving pieces of work, often linked to Children Looked After reviews or review Child Protection Conferences.

#### **8.2. HP19 Stability of placements of looked after children: length of placement.**

The stability of placements has fallen slightly, this is due to several sibling groups having to move placements.

#### **8.3. HP31 Percentage of Educational Health Care Plans (EHCP) issued within 20 weeks.**

Performance for the year is lower than target. During the year, the service area has seen a substantial increase in the number of EHCP requests, the first three months of 2024 have seen 205 EHCPs issued compared to 157 in 2023, this is an increase of 31%. A recovery plan has been developed and a new target profile will be provided.

#### **8.4. HEc11 Paid employment for people with learning disabilities.**

Supporting people with learning disabilities to achieve paid employment can increase self-confidence and independence whilst reducing reliance on others. The service is working with its clients to find opportunities to develop skills and positive experiences through training, volunteering and where suitable to find paid employment.

Performance for those in paid employment at quarter 4 is 6.43%, this has slightly missed the target of 7.2% but this is still an improvement from quarter 3 of 6.34%. This was a stretch target set locally and it is important to note that Shropshire is still above the West Midlands at 3.2% and England at 4.8%.

Whilst performance for paid employment is one element of the service, the Enable team continue to work with a range of clients offering support at various stages. They are currently working with 10 clients to support them with their work preparation to become ready for searching for paid employment and 11 clients to support them to retain their employment. They are currently working with 35 supported interns in 23/24 to find them work placements alongside their college work programme. The supported internship work contributes to the prevention of those clients needing adult social care intervention.

#### **8.5. HEc21 Reduce the % of workforce with no or low level qualifications.**

The percentage of the Shropshire workforce with low or no qualifications has decreased from 15.5% to 10.6%. Despite the improvement, rates are now higher than the England rate (8.8%) on which the target is based. Rates are similar to the West Midlands (10.5%).

Please note that the data is from the Annual Population Survey and that the sample size for Shropshire is relatively small compared with the West Midlands and England. Although still statistically robust, the confidence intervals are larger

which can mean that data at a local level is subject to a greater degree of annual fluctuation than regional or national data.

#### **8.6. HEn11 The percentage of streetlights converted to LED**

The conversion of streetlights to LED was proposed to be substantially complete by the end of December 2023.

At quarter 3, 84% of all Shropshire streetlights were LED, just short of the 88% target. During quarter 4 work to convert the streetlights has continued but the target of 98% has been missed with currently only 88% of streetlights converted. Updated feedback from the service is that it is not possible to complete 100% of the streetlights for example lanterns cannot be converted. Information and numbers around this are awaited from the service but at time of writing have not been provided.

The project delivering LED lighting is due for completion by the end of June 2024.

#### **8.7. HEn15 Number of environmental permit inspections completed.**

The aim of the environmental permit inspections is to reduce pollution from industrial and commercial operations to protect the environment. Carry out statutory Inspections of permitted industrial and commercial sites that emit pollutants in accordance with a risk-based inspection programme as set out in the statutory guidance.

Inspection numbers for Environmental Permitted Installations have fallen short of the statutory target this year due to sickness and conflicting statutory pressures. Steps are being taken to train up others in the team to provide more resilience as part of restructuring related to MTFs savings and so improved performance is expected for 2024/25.

#### **8.8. HO1 Number of compliments received.**

The number of compliments received by the Council has declined from 142 at quarter 3 to 107 at quarter 4 whilst this has missed the target, the performance is in line with other quarters. The number of compliments received can be an indication of quality of service delivery. The number of complaints received at quarter 4 has also fallen and whilst this is good news, the lower number suggest that overall, less people got in touch during quarter 4.

#### **8.9. HO6 Budget Outturn vs Budget**

The Council revenue position has been finalised for 2023/24. The Council has:

- Substantially contained revenue expenditure within the available budget (a variance of £7.302m against net spending representing 1.21% on the gross budget or 2.85% of net budget)
- Delivered £41.818m savings (81% of the target, and by both value and percentage the highest ever achieved by the Council)

- Improved the overall financial variance when compared to that projected at Quarter 3 by £6.656m (£14.533m compared to £7.877m)
- Delivered a smaller overall overspend than delivered in the previous financial year (£7.877m compared to £8.499m)
- Ensured the General Fund Balance has increased compared to the previous year (£8.237m compared to £7.093m, with plans to improve this position again in 2024/25)
- Reprofiled the capital programme over the year, aligning with revised delivery expectations, to £100.012m. Outturn capital expenditure for 2023/24 is £92.339m, representing 92.3% of the re-profiled budget. All £7.673m of the underspend has been carried forward to the 2024/25 programme.

#### 8.10. **HO13 Number of days lost due to sickness absence.**

Overall lost days has increased by 8% this quarter however the increase in coughs, colds and influenza was by almost 18% and an increase of 26% for gastrointestinal illnesses which suggest that return to school/work following the Christmas break has led to the spread of winter viruses which is the main contributor to the increase in sickness absence for this quarter.

#### 8.11. **HO17 Responding to Freedom of information requests within statutory timescales (20 working days).**

FOI response rates are monitored by Executive Directors through the PowerBi dashboard. There has been some slippage in response rates since the enforcement notice was lifted in November 2023. However, 76% is a sustained increase since the enforcement notice was issued in April 2023.

#### 8.12. **Exceptions previously reported**

The following 5 measure are showing as red on the dashboard but as no new data is available, they have already been highlighted by this report in a previous quarter.

HP11 The percentage of adults who are overweight or obese. This measure is annual and was last updated in 21/22. The data is collected and reported by...

HP15 Excess under 75 mortality rate in adults with severe mental illness. This measure was last updated in 2018/19. The data is collected and reported by....

HEc2 Reduce the workplace pay gap with the national average by 50% by 2027

HEc20 Attainment 8 inline or better than national average

HO5 Resident satisfaction with Highways and Transport services

#### 8.13. **KPIs not available during the 2023/24 reporting period.**

The following measures have not been included with the 2023/24 report but may be included during the 2024/25 Performance Reporting year.

HEn2 Public rights of way - this measure is currently being reviewed and a definition to be agreed so this can be included in the 2024/25 reporting period.

HEn5c % of street scene inspections meeting the required standards of cleanliness (weeds) - this has now been merged with HEn5a as weeds falls under litter and detritus.

HEn9b, c & d Increasing the generation of renewable energy by Shropshire Council b. wind c. hydro d. bioenergy. These will be reported when the Council has developed energy generation schemes from these sources.

HO10 Reducing bad debt by 10% per year – a debt KPI will be included in the 2024/25 reporting period and data is available.

HO16 % of staff who rate Shropshire Council as a good employer – due to a number of staff surveys already undertaken in 2023/24 it was decided to postpone the pulse survey to September 2024.

HO20 Member attendance at full council – this measure will be included in the 2024/25 reporting period with a suggested target of 96% attendance.

HP34 The number of people in long term care with digital included in their plan. The definition of the measure has been agreed and will be included in the 2024/25 reporting period.

## 9. Conclusions

- 9.1. The development of the new reporting sees a substantive step change in the reporting of performance with more emphasis on target delivery and comparator information.
- 9.2. The key performance pressure remains the delivery of a balanced budget which are detailed in the financial report.

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

**Local Member:** N/A

### Appendices

None

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# Agenda Item 7

Transformation & Improvement Scrutiny 3<sup>rd</sup> June 2024/Cabinet 5<sup>th</sup> June 2024/Audit Committee 27<sup>th</sup> June 2024 –  
Financial Outturn 2023/24



**Committee and Date**  
Transformation &  
Improvement Scrutiny  
3<sup>rd</sup> June 2024

Item

Cabinet  
5<sup>th</sup> June 2024

Public

Audit Committee  
27<sup>th</sup> June 2024



## Financial Outturn 2023/24

|   |  |
|---|--|
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| <b>Cabinet Member</b><br>(Portfolio Holder):  | Cllr Gwilym Butler, Finance, Corporate Resources and Communities |

### 1. Synopsis

Shropshire Council ended an exceptionally challenging financial year better than expected, with spending £7.877m outside of budget (an improvement of £6.7m compared to Quarter 3 estimates) this representing a 3.1% variance to net budget.

### 2. Executive Summary

2.1. This report provides a detailed review of Shropshire Council 2023/24 financial performance for revenue and capital.

2.2. The year just ended was, financially, exceptionally challenging for the Council. The budget agreed in March 2023 set the highest savings target in the Council's history and it became clear early in the year that significant demand pressures (emerging after the budget position was finalised) were persisting into the year. The previous quarterly reports have consistently set out this position, with substantial social care demand pressures and ongoing inflationary pressures juxtaposed with the most success in savings delivery yet seen.

2.3. Further success was seen between the last report (quarter 3) and this report, with a material movement in the position between forecast and final outturn, moving from

an £14.533m overspend estimated as at 31 December to a £7.877m actual overspend at 31 March within the space of only three months.

- 2.4. Despite ongoing pressures set out in the budget for the new financial year (2024/25) in the February 2024 Council papers, the results from the last financial year place the Council as well as can be expected to tackle what will undoubtedly be another highly challenging year requiring significant savings, careful management of demand pressures and reduction in overall spending.
- 2.5. The improved outturn position for the general fund balance will be carried forward to the new year. The MTFS approved by Council allowed for a further contribution of £30m to be made in 2024/25, creating a total general fund balance as at 1 April of £38m (reflected in the Period 1 report, also on this agenda). This is an improvement on the position for 2023/24 but remains below the risk-adjusted estimate for the target balance (£49m – as set out in the February 2024 MTFS) and also below the levels of balances held by similar authorities elsewhere in the country. In this sense, the levels of reserves cannot yet be considered as safe. It will be a priority in the 2024/25 year to safeguard that balance as far as possible to ensure that an adequate level of funding is held against any costs and pressures not covered in the budget estimates.
- 2.6. The key issues for the Council's financial performance in 2023/24 highlighted by this report are summarised below, **delivered within the requirements of The Shropshire Plan. The Council has:**
- a) **Substantially contained revenue expenditure within the available budget** (a variance of **£7.302m against net spending** representing 1.21% on the gross budget or 2.85% of net budget)
  - b) **Delivered £41.818m savings** (81% of the target, and by both value and percentage the highest ever achieved by the Council)
  - c) **Improved the overall financial variance when compared to that projected at Quarter 3** by £6.656m (£14.533m compared to £7.877m)
  - d) **Delivered a smaller overall overspend than delivered in the previous financial year** (£7.877m compared to £8.499m)
  - e) **Ensured the General Fund Balance has increased compared to the previous year** (£8.237m compared to £7.093m, with plans to improve this position again in 2024/25)
  - f) **Reprofiled the capital programme over the year**, aligning with revised delivery expectations, to £100.012m. Outturn capital expenditure for 2023/24 is £92.339m, representing 92.3% of the re-profiled budget. All £7.673m of the underspend has been carried forward to the 2024/25 programme.

**Table 1: 2023/24 Budget Variations by Service Area (£'000)**

| Directorate                       | Revised Budget (£'000) | Controllable Outturn (£'000) | (Under)/Overspend (£'000) | (Under)/Overspend (%) | RAGY Classification |
|-----------------------------------|------------------------|------------------------------|---------------------------|-----------------------|---------------------|
| Health & Wellbeing                | 1,878                  | 1,398                        | (480)                     |                       | Y                   |
| People                            | 198,118                | 206,497                      | 8,379                     |                       | R                   |
| Place                             | 75,749                 | 77,677                       | 1,928                     |                       | R                   |
| Resources                         | 2,764                  | 4,161                        | 1,397                     |                       | R                   |
| Strategic Management Board        | 163                    | 303                          | 140                       |                       | R                   |
| <b>Service Delivery Budgets</b>   | <b>278,672</b>         | <b>290,035</b>               | <b>11,364</b>             | <b>3.83%</b>          |                     |
| Corporate                         | (22,758)               | (26,819)                     | (4,061)                   |                       | Y                   |
| <b>Total Net Expenditure</b>      | <b>255,914</b>         | <b>263,216</b>               | <b>7,302</b>              | <b>2.85%</b>          |                     |
| <b>Funded By:</b>                 |                        |                              |                           |                       |                     |
| Council Tax                       | (193,577)              | (193,577)                    | 0                         |                       |                     |
| Business Rates                    | (39,424)               | (39,424)                     | 0                         |                       |                     |
| Top Up Grant                      | (11,120)               | (10,545)                     | 575                       | 5.17%                 |                     |
| Revenue Support Grant             | (7,479)                | (7,479)                      | 0                         |                       |                     |
| Collection Fund (Surplus)/Deficit | (4,314)                | (4,314)                      | 0                         |                       |                     |
| <b>Total Funding</b>              | <b>(255,914)</b>       | <b>(255,339)</b>             | <b>575</b>                |                       |                     |
| <b>Net Total Expenditure</b>      | <b>0</b>               | <b>7,877</b>                 | <b>7,877</b>              | <b>3.1%</b>           |                     |

2.7. The key factors affecting the year end position for overall service delivery were:

- Activity in Children's Services was higher than anticipated when setting the budget. The increase in costs was partially offset by a contribution from the General Fund Balance.
- The service is bringing forward plans over the short to medium term to manage demand pressures. This includes the overhaul of Early Help, ensuring families get the support they need at the earliest possible stage. A new children's home, the fourth since 2020, reducing the use of private providers. Investment has provided support to children to return home from care, with lasting changes in place to keep families safely together. Work with schools and transport partners, enables more children to attend schools close to their homes.
- Activity in Adults' services increased when compared to budgeted levels, with costs of placements also increasing resulting in a significant cost pressure. Again, this was partially offset by a contribution from the General Fund Balance
- The service continues to implement demand management plans including a new joined-up partnership approach to help people recover more quickly after a stay in hospital and a virtual care project using assistive technology to connect residents to a virtual care team to aid independence.

2.8. Corporate budgets (including pensions costs, cost of finance, and other non-operational costs) returned an £4.061m surplus, which helped reduce the overall outturn variance to £7.877m (3.10%). This was driven by the following factors:

- Additional interest received on cash balances during 2023/24 and savings against the MRP budget as a result of managed slippage in the capital programme and higher interest rates
- Additional government grants reconciled and received at year end (£1.727m)
- Confirmed savings resulting from upfront payment of employers pension contributions

### 3. Recommendations

- 3.1. It is recommended that Transformation and Improvement Overview and Scrutiny Committee Members:
- a. Consider, with appropriate comment, this report and the recommendations made to Cabinet below.

- 3.2. It is recommended that Cabinet Members:

**In respect of the revenue budget:**

- a. Note that the outturn for overall variance in the year is £7.877m above budget.
- b. Note the consequent level of the General Fund balance is £8.237m.
- c. Note the service-related use of £19.424m of Earmarked Reserves & Provisions and the resulting level of earmarked reserves of £35.407m (£26.551m if the balances held by schools are excluded).
- d. Note the level of savings delivery achieved over the year
- e. Note that the combination of earmarked and un-earmarked (General) reserves of £43.644m is below a level that would be regarded as safe, taking into account local circumstances. The MTFs sets out an agreed plan to restore these balances to safer levels.

**Relating to ringfenced funding:**

- f. Note the performance of the Housing Revenue Account (HRA) – £0.623m (3%) deficit outturn for 2023/24 on £20.532m turnover, and the resulting level of the HRA reserve of £11.737m.
- g. Note the outturn for the DSG and the consequent level of the DSG reserve.
- h. Note that the level of school balances has decreased by £0.451m, from £7.791m in 2022/23 to £7.340m, in the financial year.

**In respect of the capital programme:**

- i. Approve net budget variations of £16.156m to the 2023/24 capital programme (in Appendix 10) and the re-profiled 2023/24 capital budget of £100.012m.
- j. Approve the re-profiled capital budgets of £117.776m for 2024/25, including slippage of £7.673m from 2023/24, £92.339m for 2025/26 and £48.873m for 2026/27 as detailed in Appendix 13.
- k. Accept the outturn expenditure set out in Appendices 11 and 12 of £92.339m, representing 92.3% of the revised capital budget for 2023/24.
- l. Approve retaining a balance of capital receipts set aside of £15.175m as at 31st March 2024 to generate a one-off Minimum Revenue Provision saving of £0.420m in 2024/25.

## Report

### 4. Risk Assessment and Opportunities Appraisal

- 4.1. The management of the Council's Budget is a key process in ensuring the strategic risks are mitigated and the Council can carry out the business as intended and planned for within the Financial Strategy.

- 4.2. When the Council set the Financial Strategy in March 2023, which underpins this report, it took into account the requirements of the relevant legislation and any necessary service user consultation.
- 4.3. The financial results for 2023/24 are better than anticipated, but remain significantly adverse. This highlights an ongoing risk that effective action to address and improve the forecast was not able to be delivered within the year.
- 4.4. The financial position of the Council will be significantly challenged through the new year, 2024/25, as the Council must reduce planned spending from c£771m to c£709m in order to remain within available resources. This £62m spending reduction exceeds the previous year as the largest savings programme the Council has ever undertaken. Delivery will ensure that the Council is in good financial health across the coming years.
- 4.5. Several measures are being undertaken to ensure that the Council has the best chance of success in facing the challenge and to learn from performance in 2023/24, including (for the new year):
- a. More frequent and regularised reporting to Cabinet
  - b. Reporting the projected financial position from the earliest possible point of the year
  - c. Clearer processes for identifying budget variations and appropriate corrective actions
  - d. Greater visibility of financial results and projections for budget managers and Directors
  - e. Closer alignment between performance and financial reporting

| <i>Risk</i>  | <i>Mitigation</i>  |
|--|--|
| Revenue budget risks – the issues underlying the outturn position remain into the next financial year  | <p>The budget for 2024/25 included growth for known demand pressures and inflationary pressures. Also, any known pressures were included as growth items.</p> <p>Additional funding has been built into the General Fund for 2024/25 and so can provide some resilience for any unforeseen pressures, however it is recognised that the General Fund Balance is not at a sufficient level to provide for all potential financial risks that could occur.</p> |
| Capital budget risks - inflationary pressures as the construction sector in particular is often highly exposed to price increases, and programme slippages as schemes are delivered slower (or faster) than anticipated. Also risks around generation of capital receipts for funding capital schemes, and transformation costs. | <p>The capital programme is reviewed quarterly and any updates or revisions to the capital programme are included within the review. A working group is set up to track delivery against capital receipts and progress for the year is detailed within the quarterly financial report.</p>   |

## 5. Financial Implications

- 5.1. This is the subject of the report. Failure to constrain spending within budgets leads to overspending, which must then be funded from un-earmarked reserves. The Council should carry un-earmarked reserves at a level of 5%-15% of turnover – or, £15m- £30m. The Council's Medium Term Financial Strategy, approved by Full Council in February 2024, includes provision to increase the general fund balance (our un-earmarked reserves) to these levels, provided that all spending for the year is constrained within the budgeted levels.
- 5.2. The MTFs also included an assessment of the level of risk being faced by the authority, across all areas of financial management. This concluded that the prudent level of reserves should be £50m based on that assessment. The council is moving towards a higher level of reserves, but this in itself must be risk-assessed and balanced against the impact on revenue budgets (a contribution to reserves is an expense, which will therefore increase required savings).

## 6. Climate Change Appraisal

- 6.1. The Council's Financial Strategy supports its strategies for Climate Change and Carbon Reduction in a number of ways. The future programme includes programmes to support a range of initiatives such as moving to LED street lighting; enabling agile and mobile working (including a move to hybrid working at the Council with officers predominantly working from home which has also helped to reduce officer travel); and support for Park and Ride schemes to reduce car emissions within the town centres. A specific climate change revenue budget is held in 2023/24 and further details about spend in this area is included in Appendix 1 to this report. Several areas of spend in the climate change budget are invest-to-save or future income generating schemes such as energy generation with solar PV or building energy efficiency measures. The climate change schemes involving the Council's assets or infrastructure are included within the capital programme of which further detail can be found within Appendix 16.

## 7. Background

- 7.1. Budget monitoring reports are produced regularly for Executive Directors, and quarterly for Cabinet, highlighting the anticipated year end projection. The outturn report confirms the actual year end position compared to those earlier projections.
- 7.2. 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 ensure a balanced budget at year end. Capital schemes are similarly reported on an exception basis.

## 8. Additional Information

- 8.1. The Council approved a gross budget of £645.741m (net £255.914m) on 22<sup>nd</sup> March 2023. This included savings of £51.390m. The final outturn for 2023/24 shows controllable net revenue expenditure of £263.216m and a variance to net spending of £7.302m.

- 8.2. In addition, there has been a reduction in the value of the Top Up Grant received from the Government which makes up part of the Council's funding (£0.575m).
- 8.3. Therefore the overall financial variance, or total overspend, for the 2023/24 financial year was £7.877m.

## 9. Update on Savings Delivery

- 9.1. 81% of the 2023/24 savings required have been delivered. There was £9.572m of savings that have not been achieved in 2023/24. Some of these have been offset by growth in 2024/25, but any remaining will be carried forward to 2024/25 to be delivered as soon as possible. The savings outturn in 2023/24 are presented in Appendix 3. The impact on the outturn position of the savings that have not been delivered can be seen in Appendix 4.

## 10. Analysis of Outturn Projections including Ongoing Budget Pressures

- 10.1. The variance to net spending position in the revenue budget of £7.302m overspend (see paragraph 8.1 above) includes ongoing and new budget pressures identified. Appendix 4 reconciles the monitoring position to savings delivery.

## 11. General Fund Balance

- 11.1. A breakdown of transactions impacting on the General Fund in 2023/24 are detailed in Appendix 5 and this shows an increase in the balance held of £1.144m to £8.237m. The MTFS approved in March 2024 includes provision to increase this to safe levels, provided that spending is held within budgeted levels in the new financial year.

## 12. Housing Revenue Account

- 12.1. The Housing Revenue Account (HRA) outturn for 2023/24 shows a deficit of £0.623m against a budgeted deficit of £0.274m, giving a £0.349m variance against the approved budget. This was mainly due to a higher than budgeted contribution to the capital programme coupled with increased costs of supplies and services with dwelling depreciation. The was partially offset by a larger than expected interest receipt due to higher interest rates. As at 31 March 2024 the HRA reserve stood at £11.737m. A breakdown of the HRA is provided at Appendix 7.

## 13. Dedicated Schools Grant

- 13.1. There was a £4.771m in-year deficit reported against the Central Dedicated Schools Grant (DSG), leaving a cumulative DSG deficit of £2.590m at the end of the financial year. This in year-deficit was largely due to an in-year overspend reported on the High Needs Block of DSG totalling £4.015m. There was also an overspend of £0.351m against the Council's Schools Growth funding allocation of £0.303m, a £0.087m overspend on the Council's Early Years Block DSG allocation, as well as a £0.265m overspend reported against the Council's Central Schools Services Block DSG allocation.

13.2. The forecast overspend on High Needs Blocks of £4.015m is due to a significant increase in expenditure against the budget for Independent Special School placements in 2023-24. An overspend of £3.905m is reported on this budget line. There are several explanations for this. Firstly, the Council has experienced a sharp increase in demand for Independent Special School placements as evidenced by the number of new placements. This is a trend that was identified in 2022-23 but the increase has been even more pronounced in 2023-24 and particularly from the start of the 2023-24 academic year. Another trend that came to light in 2022-23 financial year, was the much more frequent use of independent alternative providers, particularly in relation to children who are post 16. Also, the average termly cost of a placement has increased in 2023-24 reflecting price inflationary pressures. The other trend which explains the overspend is that the value of, and number of contributions to complex, joint funded placements with social care and the Health has increased in 2023-24 relative to 2022-23 levels reflecting an increase in complexity. The Council has also seen a sharp increase in expenditure in 2023-24 relating to SEN Support Services.

13.3. A High Needs Block DSG 3 year forecast will be presented to Schools Forum in June 2024 with potential mitigations set out against the High Need Block DSG to bring the DSG financial position back into balance.

## 14. Reserves and Provisions

14.1. The overall position for reserves and provisions is set out in the Statement of Accounts 2023/24, however a detailed breakdown of the balances is contained at Appendix 8 and shows an overall reduction of £19.424m in reserves and provision (excl. delegated schools balances).

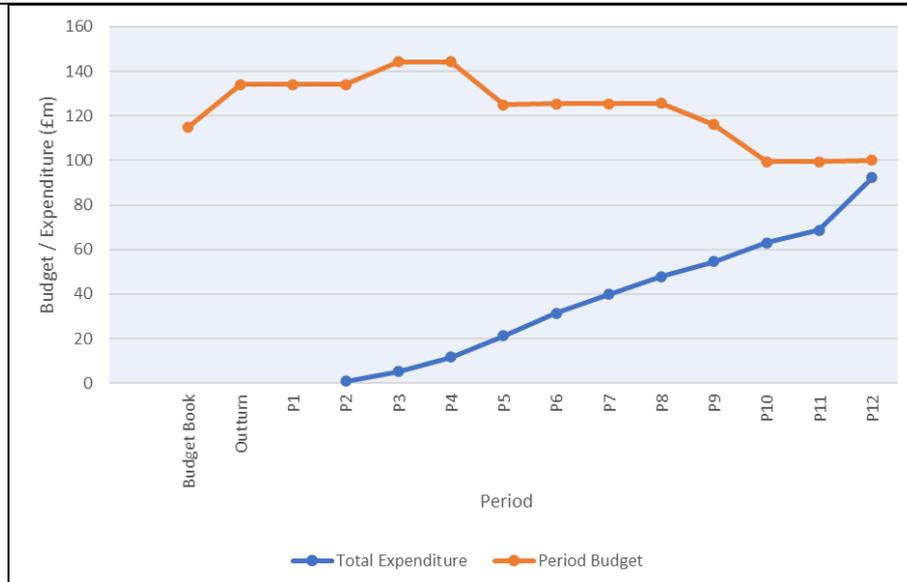
## 15. Original & Final Capital Programme for 2023/24

15.1. The capital budget for 2023/24 was subject to a review of all projects at Quarter 3 and re-profiling where required into future years with no further re-profiling into future years being anticipated during Quarter 4. However, in Quarter 4 it has been necessary to undertake further re-profiling of £20.442m. Additionally, in Quarter 4 there has been a net budget increase of £4.286m for 2023/24. In total, during Quarter 4 there has been a net budget decrease of £16.156m compared to the position reported at Quarter 3 2023/24. Appendix 9 summarises the overall movement, between that already approved and changes for Quarter 4 that require approval.

## 16. Capital Outturn Position

16.1. Outturn projections are incorporated into the capital monitor to enhance the monitoring information provided and allow the early identification where schemes are deviating from budget. Appendix 10 summarises the outturn position for 2023/24.

16.2. Total capital expenditure for 2023/24 was £92.339m, which equated to 92.3% of the re-profiled capital programme of £100.012m. The graph below shows actual expenditure by period and tracks the period-on-period changes to the budget.



16.3. There was a total variance of £7.673m between the revised Outturn Budget and the Outturn Expenditure. This underspend will be slipped to future years to facilitate completion of projects in delivery during in 2024-25 and beyond as required following a review of expected profiles. A summary of significant variances by directorate and service area are provided In Appendix 11.

## 17. Projected Future Capital Programme

17.1. Appendix 12 summarises the financing of the 2023/24 capital programme, changes made to Quarter 3 and to be approved to Quarter 4.

17.2. Within the financing of the Capital Programme £3.446m is funded from revenue contributions. The major areas of revenue contributions to capital are in ringfenced HRA monies to undertake new build schemes (£2.188m), essential repairs in relation to the Corporate Landlord estate (£0.992m) and Schools revenue contributions to various capital schemes (0.209m).

## 18. Projected Future Capital Programme

18.1. The updated capital programme and the financing of the programme is summarised by year in Appendix 13.

## 19. Capital Receipts Position

19.1. Appendix 14 summarises the current allocated and projected capital receipt position across 2023/24 to 2026/27.

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

Financial Strategy 2023/24 – 2027/28

Financial Rules

Financial Monitoring Report – Quarter 1 2023/24

Financial Monitoring Report – Quarter 2 2023/24

Financial Monitoring Report – Quarter 3 2023/24

**Local Member:** All

**Appendices** [Please list the titles of Appendices]

Appendix 1 – 2023/24 Budget Variations by Service

Appendix 2 – Movement in Projections Between Q3 and Outturn

Appendix 3 – Update on Delivery of 2023/24 Savings Proposals

Appendix 4 – Reconciliation of Monitoring Projections to Savings Delivery

Appendix 5 – General Fund Balance

Appendix 6 – Amendments to Original Budget

Appendix 7 – Housing Revenue Account

Appendix 8 – Reserves and Provision 2023/24

Appendix 9 – Revised Capital Programme

Appendix 10 – Capital Programme Outturn Position by Directorate 2023/24

Appendix 11 – Summary of Significant Variances Between Revised Capital Budget & Outturn Expenditure by Directorate and Service Area For 2023-24

Appendix 12 – Revised Capital Programme Financing 2023/24

Appendix 13 – Capital Programme 2024/25 To 2026/27

Appendix 14 – Projected Capital Receipts Position

Appendix 15 – Capital Programme Summary Outturn 2023/24

## APPENDIX 1

### 2023/24 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)

| Directorate                     | Full Year           |                           |                             | RAGY | FOR INFORMATION ONLY                        |                                  |                      |
|---------------------------------|---------------------|---------------------------|-----------------------------|------|---|----------------------------------|----------------------|
|                                 | Revised Budget<br>£ | Controllable Outturn<br>£ | Controllable Variation<br>£ |      | Outturn (inc. Non Controllable* Items)<br>£ | Non Controllable* Variation<br>£ | Total Variation<br>£ |
| Health & Wellbeing              | 1,878,200           | 1,398,308                 | (479,892)                   | Y    | 1,331,258                                   | (736,170)                        | (1,216,062)          |
| People                          | 198,117,500         | 206,496,416               | 8,378,916                   | R    | 205,352,556                                 | (11,397,540)                     | (3,018,564)          |
| Place                           | 75,749,590          | 77,677,251                | 1,927,661                   | R    | 77,125,622                                  | (6,261,519)                      | (4,333,918)          |
| Resources                       | 2,763,930           | 4,160,647                 | 1,396,717                   | R    | 4,104,466                                   | (805,820)                        | 590,897              |
| Strategic Management Board      | 162,730             | 302,428                   | 139,698                     | R    | 296,768                                     | (21,330)                         | 118,368              |
| <b>Service Delivery Budgets</b> | <b>278,671,950</b>  | <b>290,035,050</b>        | <b>11,363,100</b>           |      | <b>288,210,670</b>                          | <b>(19,222,379)</b>              | <b>(7,859,280)</b>   |
| Corporate Budgets               | (22,758,300)        | (26,819,301)              | (4,061,001)                 | Y    | (24,990,481)                                | 19,226,820                       | 15,165,819           |
| <b>Total</b>                    | <b>255,913,650</b>  | <b>263,215,748</b>        | <b>7,302,098</b>            |      | <b>263,220,189</b>                          | <b>4,441</b>                     | <b>7,306,539</b>     |

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

## 1.2 Detail Of Controllable Outturn And Variations By Service Area

### Directorate Summary

| PEOPLE  |  | Budget             | Controllable Outturn | Controllable Variance | RAGY     |
|---|--|--------------------|----------------------|-----------------------|----------|
| <b>Total</b>  |  | <b>198,117,500</b> | <b>206,496,415</b>   | <b>8,378,916</b>      | <b>R</b> |
| <b>Adult Social Care Business Support and Development</b>   | <b>Adult Social Care and Public Health</b> | <b>3,765,430</b>   | <b>3,449,266</b>     | <b>-316,164</b>       | <b>Y</b> |
| Controllable variance equates to;<br>(£0.290m) of capitalisation of posts to support transformational activity<br>(£0.069m) Implementation of Supported Accommodation Reforms Grant received<br>Increase in the provision of Bad Debt £0.040m<br>Enable additional receipts (£0.052m)<br>Joint Training under achievement of income £0.019 and additional expenditure on PDU £0.013m<br>Care Cap Charging Reform £0.010m  |  |                    |                      |                       |          |
| <b>Adult Social Care Management</b>   | <b>Adult Social Care and Public Health</b> | <b>1,117,730</b>   | <b>748,730</b>       | <b>-369,000</b>       | <b>Y</b> |
| Controllable variance equates to;<br>(£0.290m) of capitalisation of posts to support transformational activity<br>Savings as a results of vacancy management (£0.087m)<br>£0.024m relates to low-level efficiency savings unachieved.   |  |                    |                      |                       |          |
| <b>Adult Social Care Provider Services</b>  | <b>Adult Social Care and Public Health</b> | <b>3,933,720</b>   | <b>4,140,665</b>     | <b>206,945</b>        | <b>R</b> |
| External Day Service Providers, Shared Lives Contract £0.025m under achievement of Housing Benefit Income and an increase of £0.040m in payments to Private Contractors.<br>Adults Prevention Service £0.087m being payments for British Red Cross and CUBE made to Public Health.<br>Internal Day Services (£0.088m) and Internal Nursing Services (£0.081m) underspend due to vacancies within the service<br>START Winter Pressure £0.262m relating to additional staffing not budgeted for.   |  |                    |                      |                       |          |
| <b>Adult Social Care Operations</b>   | <b>Adult Social Care and Public Health</b> | <b>118,141,330</b> | <b>120,508,706</b>   | <b>2,367,376</b>      | <b>R</b> |
| Transport Services £0.608m additional spend, this is made up of £0.337m Taxi Costs, Additional Agency Staff costs of £0.144m and Employee Recharge costs of £0.145m. A reduction of £0.014m in the Hire of Transport Recharges<br>Supported Living expenditure of £0.166m relating to void properties.<br>£15.702m gross purchasing pressure is split across base budget, where numbers of service users and cost of placements are higher than anticipated at budget setting, but lower than they were as at 1st April 2023. We have seen an increase in nursing care, highlighting a complexity in people's needs from the community and through the hospital discharge routes. We have also seen more packages of care commissioned within peoples' homes, reducing the waiting lists but costs have increased. Work is on-going with the market to manage the increased costs of care. Finally, we have seen further pressures due to the continued need to support hospital discharges and short-term care provision which has resulted in higher costs. One-off funding has been applied to offset these pressures.<br>• (£4.277m) anticipated over achievement of client contributions to care costs. As per the pressure on expenditure, due to greater number of individuals being supported than budgeted for, we received a greater amount of contributions being collected.<br>Non-purchasing:<br>• (£9.500m) contribution from the General Fund. Short term funding to address demand-led pressures.<br>• (£0.521m) Staff capitalisation as a result of undertaking transformational activity<br>• £0.261m increase in the provision of Bad Debt |  |                    |                      |                       |          |
| <b>Children's Social Care and Safeguarding</b>  | <b>Children &amp; Education</b>            | <b>49,240,040</b>  | <b>52,582,108</b>    | <b>3,342,068</b>      | <b>R</b> |
| • £0.270m relates to low-level efficiency savings unachieved. The service used "one-off" savings in other areas to achieve this savings target this year, however further work is required to determine how to achieve this on an ongoing basis.<br>• £1.772m overspend on staffing due to agency social workers covering staff vacancies, sickness leave and maternity leave (recruitment and retention in children's social work staffing is a nationally recognised issue). This figure includes a £0.335m one-off budget pressure from an additional capacity Social Work Team/Court Team that was brought in temporarily to cope with increased demand. It also includes £1.166m of posts capitalised as working on transformational projects e.g. Stepping Stones Project.<br>• £6.867m overspend on external residential placement costs reflecting 57 external residential spot/framework placements as at the end of March 2024. The sharp increase in the number of residential spot/framework placements in 2022/23 means that the number of children in this type of placement far exceeds the budgeted number in 2023/24 (although this has been addressed in the 2024/25 budget). Although the increase in external residential spot/framework placements did stabilise in quarter 1, the service experienced an increase of 14 new external residential spot/framework   |  |                    |                      |                       |          |

placements in quarter 2 which included 2 large sibling groups. In Quarters 3 and 4, the numbers have remained fairly flat, although a lack of fostering capacity has meant that the service has experienced delays in moving children on from residential to fostering placements which has had an adverse effect on the monitoring position. In spite of a number of challenges, the Stepping Stones Project achieved cost reductions totalling £1.551m exceeding the savings target of £1.000m. This was achieved through the successful step down of 39 children to lower cost fostering placements or home. 17 of these step downs were from high-cost residential placements. In addition to that, the project avoided 75 placements which would have resulted in £2.770m of additional expenditure in 2023/24.

- £2.421m overspend on Fostering. The majority relates to External Fostering (£1.028m), partly explained by unachieved saving of £0.493m. The remaining £0.898m relates to Internal Fostering fees and allowances. There was also an overspend of £0.495m on Supported Accommodation.
- £1.018m overspend in the Disabled Children's Team (excluding staffing). £0.665m of this overspend relates to bespoke, short term care packages of prevention and support for disabled children and £0.330m relates to direct payments for disabled children. There has been a significant increase in demand, evidenced by a 300% increase in referrals. As well as an increase in the numbers of children requiring support, there has been an increase in the number of support hours per child, which indicates an increase in complexity.
- £0.309m overspend in the Leaving Care Team (excluding staffing). £0.239m of this overspend relates to accommodation costs for care leavers and allowances paid to care leavers, reflecting an increase in the number of children staying in relatively high cost supported accommodation placements beyond their 18th birthday. The remaining £0.070m relates to discretionary Council Tax relief for care leavers.
- £0.293m overspend in Adoption Services. £0.202m relates to Adoption Allowances, where there has been a significant increase in 2022/23 and 2023/24. £0.036m overspend was against the budget for intra agency adoption placements reflecting the trend across the region of more children being placed with voluntary adoption agencies.
- £0.428m overspend relates to the Public Law Outline (PLO) Support Packages budget where demand for expenditure relating to court-ordered items such as legal costs and medical assessments has increased.
- £1.059m overspend relating to other costs such as transport recharges and taxi costs, childcare payments, parenting assessments and interpreting fees. These costs have increased in line with the increase in demand.
- A contribution of £11.000m from the General Fund was built in in 2023/24 as one-off funding to address demand-led pressures. The service is adopting a number of strategies to address the recurrent budget pressures, particularly around residential placements e.g. the Stepping Stones Project and increasing internal foster care capacity. There is acknowledgement that demand has increased significantly over the last few years so there is emphasis on preventing demand in to the social care system early through family support. This is being progressed through the "Best Start in Life", "Integration" and "Early Help Transformation" projects.

|  |                                 |                  |                  |                 |          |
|--|---------------------------------|------------------|------------------|-----------------|----------|
| <b>Children's Early Help, Partnerships and Commissioning</b> | <b>Children &amp; Education</b> | <b>3,268,140</b> | <b>2,852,401</b> | <b>-415,739</b> | <b>Y</b> |
|--|---------------------------------|------------------|------------------|-----------------|----------|

- The majority of the underspend (£0.241m) is due to delays in recruiting staff to vacancies within the Early Help Family Hubs. The service is undergoing a major restructure to be implemented in the Summer of 2024 so these posts will be filled on an ongoing basis.
- £0.020m of underspend relates to premises related costs such as Rates and building rental charges and other supplies and services.
- In 2023/24, the service used a £0.161m one-off contribution from Supporting Families Grant to fund staff within the Early Help Family Hubs. This measure was taken to achieve a 5% staff turnover savings target in 2023/24 until the saving is achieved on an ongoing basis through the Early Help restructure. The £0.161m savings target line sits within the People Directorate Management although it relates to Early Help.

|                            |                                 |                   |                   |                  |          |
|----------------------------|---------------------------------|-------------------|-------------------|------------------|----------|
| <b>Learning and Skills</b> | <b>Children &amp; Education</b> | <b>18,190,420</b> | <b>19,229,547</b> | <b>1,039,127</b> | <b>R</b> |
|----------------------------|---------------------------------|-------------------|-------------------|------------------|----------|

- £1.022m of overspend relates to Home to School Transport budget where the budget is £13.676m. The service achieved savings totalling £0.202m against TMBSS transport through a network review and the value of this saving will be higher for 2024/25 when the full year effect of the saving is realised. A £0.100m savings target on SEND Transport was also delivered. Despite this, the service has experienced a large increase in the number of routes/journeys paid for, particularly in the SEND Transport budget areas where the Council has seen a large increase in the number of pupils with SEND being placed at Independent Special Schools. £0.717m of the £1.022m overspend related to Special home to school transport, £0.214m relates to Mainstream school transport and £0.091m to the Children's transport fleet. This financial year has seen an acceleration of the trend experienced in 2022/23.
- £0.082m overspend relates to the Council's Fully Traded Schools Library Service as the income from schools did not cover the expenditure of running the service. The outturn position was negatively impacted by some one-off staffing costs, without which the deficit would have been £0.058m.
- £0.100m overspend relates to ongoing cost commitments that the service has in relation to former Teacher's Pension payments. These cost commitments were entered into many years ago and have increased in line with inflation.
- Partially offsetting these overspends, an underspend of £0.055m is reported within Learning & Skills Business Support relating to the use of capital receipts funding against a post on the basis that this post has been identified as working on a transformational project, one-off in this financial year.
- There was a £0.090m underspend on staffing within several Schools Support Services due to temporary vacancies. Some of this underspend relates to a vacant post within the Council's NEETs data tracking team.

|                                      |  |                |                  |                  |          |
|--------------------------------------|--|----------------|------------------|------------------|----------|
| <b>People Directorate Management</b> | <b>Adult Social Care and Public Health</b> | <b>460,690</b> | <b>2,984,994</b> | <b>2,524,304</b> | <b>R</b> |
|--------------------------------------|--|----------------|------------------|------------------|----------|

The forecast overspend relates to unachieved local shares of organisation wide savings targets.

| PLACE   |   | Budget            | Controllable Outturn | Controllable Variance | RAGY     |
|---|---|-------------------|----------------------|-----------------------|----------|
| <b>Total</b>  |   | <b>75,749,590</b> | <b>77,677,251</b>    | <b>1,927,661</b>      | <b>R</b> |
| <b>Housing Services</b>   | <b>Housing and Assets</b>               | <b>4,269,970</b>  | <b>4,707,740</b>     | <b>437,770</b>        | <b>R</b> |
| Housing Services have worked hard to reduce the numbers in B&B currently 125, as well as driving down accommodation costs for each placement. This work is ongoing alongside a number of temporary accommodation projects in the pipeline. Further to this, costs have been reduced for a range of support services, and a restructure is now planned to deliver staffing efficiencies. Overspend on Housing Service of £0.438m due to additional costs on Care Management and Temporary accommodation. |   |                   |                      |                       |          |
| <b>Bereavement Services</b>   | <b>Planning and Regulatory Services</b> | <b>-242,040</b>   | <b>-257,935</b>      | <b>-15,895</b>        | <b>Y</b> |
| Minor Variance from Budget at outturn   |   |                   |                      |                       |          |
| <b>Business and Consumer Protection</b>   | <b>Planning and Regulatory Services</b> | <b>1,989,670</b>  | <b>1,671,416</b>     | <b>-318,254</b>       | <b>Y</b> |
| Additional income from Licences and Blue Badges and some staffing vacancy savings   |   |                   |                      |                       |          |
| <b>Registrars and Coroners</b>  | <b>Planning and Regulatory Services</b> | <b>565,950</b>    | <b>406,325</b>       | <b>-159,625</b>       | <b>Y</b> |
| Large increase in advance bookings and service delivery offset in part by additional costs  |   |                   |                      |                       |          |
| <b>Assistant Director Commercial Services</b>   | <b>Housing and Assets</b>               | <b>50,080</b>     | <b>162,975</b>       | <b>112,895</b>        | <b>R</b> |
| Overspend of £0.111m relating to undelivered Getting Leadership Right savings   |   |                   |                      |                       |          |
| <b>Corporate Landlord, Property and Development</b>   | <b>Housing and Assets</b>               | <b>3,431,290</b>  | <b>1,987,472</b>     | <b>-1,443,818</b>     | <b>Y</b> |
| Reserves used to offset some unachievable savings targets in-year. £1.400m rates rebate received in-year due to revaluation of a number of properties plus savings and additional income achieved by Darwin Shopping Centre.  |   |                   |                      |                       |          |
| <b>Shire Services</b>   | <b>Housing and Assets</b>               | <b>0</b>          | <b>62,245</b>        | <b>62,245</b>         | <b>A</b> |
| Overspend of £0.062m resulting from 'one off' staff restructuring costs   |   |                   |                      |                       |          |
| <b>Director of Place</b>  | <b>Housing and Assets</b>               | <b>-752,141</b>   | <b>591,860</b>       | <b>1,344,001</b>      | <b>R</b> |
| Unachieved savings targets which were Council Wide, some have been partly achieved across the service areas   |   |                   |                      |                       |          |
| <b>Assistant Director Economy &amp; Place</b>   | <b>Growth and Regeneration</b>          | <b>164,630</b>    | <b>311,170</b>       | <b>146,540</b>        | <b>R</b> |
| Overspend relating to undelivered Getting Leadership Right savings and cost of office alterations in the Darwin Centre.   |   |                   |                      |                       |          |
| <b>Planning Services</b>  | <b>Planning and Regulatory Services</b> | <b>701,200</b>    | <b>1,198,896</b>     | <b>497,696</b>        | <b>R</b> |
| Reduced income from planning applications (mainly major applications) and land charges (search) income, this has been offset by staffing savings, reduced expenditure on contractors and use of reserves.   |   |                   |                      |                       |          |
| <b>Economic Growth</b>  | <b>Growth and Regeneration</b>          | <b>1,320,700</b>  | <b>1,190,544</b>     | <b>-130,156</b>       | <b>Y</b> |
| Underspend from staff vacancies, grant income received and use of reserves  |   |                   |                      |                       |          |
| <b>Broadband</b>  | <b>Culture and Digital</b>              | <b>174,190</b>    | <b>130,287</b>       | <b>-43,903</b>        | <b>Y</b> |
| Staffing savings resulting from a reduction in hours and vacancy, and capitalisation of some costs  |   |                   |                      |                       |          |
| <b>Policy and Environment</b>   | <b>Planning and Regulatory Services</b> | <b>1,919,870</b>  | <b>1,845,672</b>     | <b>-74,198</b>        | <b>Y</b> |
| Savings on vacancy management and use of reserves   |   |                   |                      |                       |          |
| <b>Shrewsbury Shopping Centres (Commercial)</b>   | <b>Growth and Regeneration</b>          | <b>100</b>        | <b>-</b>             | <b>-100</b>           | <b>Y</b> |
| Minor variance from budget at outturn   |   |                   |                      |                       |          |
| <b>Culture, Leisure &amp; Tourism Development</b>   | <b>Culture and Digital</b>              | <b>19,320</b>     | <b>3,420</b>         | <b>-15,900</b>        | <b>Y</b> |
| Minor variance from budget at outturn   |   |                   |                      |                       |          |

| PLACE   |   | Budget     | Controllable Outturn | Controllable Variance | RAGY |
|---|---|------------|----------------------|-----------------------|------|
| <b>Highways &amp; Transport</b>   | <b>Highways</b>   | 17,567,760 | 17,124,577           | -443,183              | Y    |
| Use of transport grants, release of transport provision (no-longer required) and managing the programme of works to maximise savings  |   |            |                      |                       |      |
| <b>Shropshire Hills National Landscape</b>  | <b>Culture and Digital</b>                                      | 38,710     | 38,709               | -1                    | G    |
| Minor variance from budget at outturn   |   |            |                      |                       |      |
| <b>Outdoor Partnerships</b>   | <b>Culture and Digital</b>                                      | 1,245,121  | 1,301,422            | 56,301                | A    |
| Reduction in parking income and variances against employee related expenditure.   |   |            |                      |                       |      |
| <b>Leisure</b>  | <b>Culture and Digital</b>                                      | 1,801,910  | 2,391,684            | 589,774               | R    |
| Large variances due to closures and maintenance of centres, resulting in compensation charges and utilising casual staff, without which centres could not open  |   |            |                      |                       |      |
| <b>Libraries</b>  | <b>Culture and Digital</b>                                      | 3,362,630  | 3,393,947            | 31,317                | G    |
| Libraries overspend £0.031m multiple smaller variances across various sites, but largely attributable to lower income than expected and redundancy costs  |   |            |                      |                       |      |
| <b>Museums and Archives</b>   | <b>Culture and Digital</b>                                      | 1,233,450  | 1,111,537            | -121,913              | Y    |
| Museums and archives -£0.122m largely due to the Invest to Save project to support the transfer of Acton Scott Historic Working Farm.   |   |            |                      |                       |      |
| <b>Theatre Services</b>   | <b>Culture and Digital</b>                                      | 228,810    | -310,539             | -539,349              | Y    |
| Overall services generated additional (net) income (excellent levels of admissions and lettings, combined with a lower proportion of production costs).   |   |            |                      |                       |      |
| <b>Waste Management</b>   | <b>Deputy Leader, Climate Change, Environment and Transport</b> | 33,843,980 | 35,841,882           | 1,997,902             | R    |
| Includes £4.125m outstanding Waste PFI saving, some of which has been found in-year and partly offset by £400k contribution from Energy Share   |   |            |                      |                       |      |
| <b>Assistant Director Highways and Transport</b>  | <b>Highways</b>   | 101,180    | 272,839              | 171,659               | R    |
| Overspend relating to undelivered low-level efficiency savings.   |   |            |                      |                       |      |
| <b>Commercial Services Business Development</b>   | <b>Housing and Assets</b>                                       | 94,290     | 149,521              | 55,231                | A    |
| Shortfall on Sponsorship income budget offset by salary contribution from capital   |   |            |                      |                       |      |
| <b>Head of Culture, Leisure &amp; Tourism</b>   | <b>Culture and Digital</b>                                      | 682,640    | 305,729              | -376,911              | Y    |
| Restructure and reduction of Senior Management Team with fewer posts, supplemented by used of Reserves to support some leisure activities.  |   |            |                      |                       |      |
| <b>Climate Change</b>   | <b>Deputy Leader, Climate Change, Environment and Transport</b> | -30,700    | -7,440               | 23,260                | G    |
| Minor variance from budget at outturn.  |   |            |                      |                       |      |
| <b>Highway Policy &amp; Strategic Infrastructure</b>  | <b>Deputy Leader, Climate Change, Environment and Transport</b> | 2,097,710  | 1,845,909            | -251,801              | Y    |
| Reduction achieved through grant received and use of reserves.  |   |            |                      |                       |      |
| <b>Assistant Director Homes and Communities</b>   | <b>Housing and Assets</b>                                       | -181,720   | 160,029              | 341,749               | R    |
| Overspend on AD Homes & Communities £0.341m (£0.135m of which is unachieved GLR savings, £0.112m reduced capital recharges, £0.079m unachieved savings achieved elsewhere in Place directorate and £0.015m overspend on Shropshire Local) |   |            |                      |                       |      |
| <b>Housing Development and HRA</b>  | <b>Housing and Assets</b>                                       | 51,030     | 45,359               | -5,671                | Y    |
| Minor variance from budget at outturn.  |   |            |                      |                       |      |

| RESOURCES  |  | Budget           | YTD Actuals      | Controllable Variance | RAGY     |
|--|--|------------------|------------------|-----------------------|----------|
| <b>Total</b>   |  | <b>2,763,930</b> | <b>4,160,657</b> | <b>1,396,717</b>      | <b>R</b> |
| <b>Automation and Technology</b>   | <b>Culture and Digital</b>   | <b>211,950</b>   | <b>-489,903</b>  | <b>-701,853</b>       | <b>Y</b> |
| Savings were delivered in year from a combination of contract management, efficiencies across supplies and services, and vacancy management alongside capitalisation of posts undertaking transformational activities.   |  |                  |                  |                       |          |
| <b>Communications &amp; Engagement</b>   | <b>Leader, Policy and Strategy, Improvement and Communications</b> | <b>626,180</b>   | <b>-142,531</b>  | <b>-768,711</b>       | <b>Y</b> |
| Unachieved savings relating to CCTV Partnership funding and getting leadership right have been offset by additional turnover within the service area and capitalisation of posts undertaking transformational activities   |  |                  |                  |                       |          |
| <b>Business Improvement: Data, Analysis and Intelligence</b>   | <b>Culture and Digital</b>   | <b>-18,300</b>   | <b>-46,431</b>   | <b>-28,131</b>        | <b>Y</b> |
| Minor variance from budget at outturn which relates to vacancy management savings.   |  |                  |                  |                       |          |
| <b>Human Resources and Organisational Development</b>  | <b>Finance, Corporate Resources and Communities</b>                | <b>-84,950</b>   | <b>-8,991</b>    | <b>75,958</b>         | <b>A</b> |
| Unachieved savings targets of £0.118m regarding de-prioritised efficiency savings. SLA income pressures identified within the service of £0.135m have been partly offset by savings from planned vacancy management and anticipated additional income generated from training courses within Health and Safety on a one-off basis. |  |                  |                  |                       |          |
| <b>Finance</b>   | <b>Finance, Corporate Resources and Communities</b>                | <b>2,146,050</b> | <b>2,560,926</b> | <b>414,876</b>        | <b>R</b> |
| There were unachieved savings targets relating to efficiency review targets, these were partly offset by savings efficiencies across supplies and services, and vacancy management.  |  |                  |                  |                       |          |
| <b>Pensions</b>  | <b>Finance, Corporate Resources and Communities</b>                | <b>-3,930</b>    | <b>132,282</b>   | <b>136,212</b>        | <b>R</b> |
| It had been anticipated that all costs would be rechargeable to the Shropshire County Pension Fund (SCPF), however, some staff time was allocated to supporting Shropshire Council treasury management tasks in year and was not chargeable to SCPF as anticipated.  |  |                  |                  |                       |          |
| <b>Commissioning Development and Procurement</b>   | <b>Finance, Corporate Resources and Communities</b>                | <b>-213,520</b>  | <b>-253,973</b>  | <b>-40,453</b>        | <b>Y</b> |
| Savings were delivered in year from a combination of contract management, efficiencies across supplies and services, and vacancy management.   |  |                  |                  |                       |          |
| <b>Risk Management</b>   | <b>Finance, Corporate Resources and Communities</b>                | <b>-14,130</b>   | <b>-14,175</b>   | <b>-45</b>            | <b>Y</b> |
| Minor variance from budget at outturn.   |  |                  |                  |                       |          |
| <b>Democratic Services</b>   | <b>Finance, Corporate Resources and Communities</b>                | <b>231,850</b>   | <b>99,931</b>    | <b>-131,919</b>       | <b>Y</b> |
| Savings within Democratic Services across supplies and services budgets of (£0.130m).  |  |                  |                  |                       |          |
| <b>Elections</b>   | <b>Finance, Corporate Resources and Communities</b>                | <b>560,220</b>   | <b>533,915</b>   | <b>-26,305</b>        | <b>Y</b> |
| In year savings relating to vacancy management and across supplies and services budgets totalling (£0.049m).   |  |                  |                  |                       |          |
| <b>Legal Services</b>  | <b>Finance, Corporate Resources and Communities</b>                | <b>-219,250</b>  | <b>182,508</b>   | <b>401,758</b>        | <b>R</b> |
| Vacancy management savings within legal services budget and savings against Legal disbursement charges have been offset by spend on locum costs, and counsel fees in relation to covering a very significant rise in the number and complexity of legal childcare cases.   |  |                  |                  |                       |          |

| RESOURCES   |   | Budget   | YTD Actuals | Controllable Variance | RAGY |
|---|---|----------|-------------|-----------------------|------|
| <b>Policy and Governance</b>  | <b>Finance, Corporate Resources and Communities</b> | -69,650  | -144,092    | -74,442               | Y    |
| Savings have been delivered in year from budgets held for brought in service support, supplies and services and additional income generation.   |   |          |             |                       |      |
| <b>Resources Management Team</b>  | <b>Finance, Corporate Resources and Communities</b> | -971,470 | -74,622     | 896,848               | R    |
| There were unachieved savings targets of £0.979m, these were partly offset by the receipt of additional grant and income at year end.   |   |          |             |                       |      |
| <b>Housing Benefits</b>   | <b>Finance, Corporate Resources and Communities</b> | 512,130  | 1,728,166   | 1,216,036             | R    |
| There were unachieved savings targets of £1.000m from a reduction in housing benefit subsidy loss from accommodating people in B&B accommodation to prevent homelessness, this saving has been undeliverable in-year, however solutions are being investigated as to how this can be moved forwards by housing in future years. |   |          |             |                       |      |
| <b>Scrutiny</b>   | <b>Finance, Corporate Resources and Communities</b> | 70,750   | 97,637      | 26,887                | G    |
| Minor variance from budget at outturn.  |   |          |             |                       |      |

| CORPORATE   |   | Budget      | Controllable Outturn | Controllable Variance | RAGY |
|---|---|-------------|----------------------|-----------------------|------|
| <b>Total</b>  |   | -22,758,300 | -26,819,301          | -4,061,001            | Y    |
| <b>Corporate Budgets</b>  | <b>Finance, Corporate Resources and Communities</b> | -22,758,300 | -26,819,301          | -4,061,001            | Y    |
| At year end £2.303m of Organisation Wide savings were unachieved, and £0.214m unachieved PFI savings, these have been offset by combined savings of (£0.013m) against non-distributable costs and corporate subscriptions, (£3.594m) from interest receivable and payable, MRP one off savings of (£0.592m), and (£0.572m) capital receipts set aside saving (one-off) for 23/24. Additionally at year end additional Section 31 as a result of an additional multiplier payment was received of £1.167m, as well as additional Levy Surplus Grant (£0.428m) and Business Rates Green Plant & Machinery Grant (£0.127m), and realisation of the benefit from paying the pension contributions upfront of £0.465m. There were additional savings realised in year from a reduction in the contribution to the costs of Transformation due to the ability to utilise capital funding towards the costs. |   |             |                      |                       |      |

| HEALTH & WELLBEING  |  | Budget    | Controllable Outturn | Controllable Variance | RAGY |
|---|--|-----------|----------------------|-----------------------|------|
| <b>Total</b>  |  | 1,878,200 | 1,398,308            | -479,892              | Y    |
| <b>Regulatory Services</b>  | <b>Planning and Regulatory Services</b>    | 1,878,200 | 1,403,308            | -474,892              | Y    |
| Controllable variance £0.475m - The Director of Public health agreed that a further £0.461m of the Public Health Grant should be used to fund activities delivering public health outcomes within Regulatory Services including Community Safety. The balance of favourable variances is due to prudent use of discretionary budgets.   |  |           |                      |                       |      |
| <b>Ring Fenced Public Health Services</b>   | <b>Adult Social Care and Public Health</b> | 0         | -5,000               | -5,000                | Y    |
| Minor variance to budget at year end.<br>However, the directorate has been able to identify £0.946m of its expenditure as transformational and this has enabled it to use this amount to embed prevention and wellbeing into services provided by other directorates, improving outcomes and reducing the corporate overspend by £0.426m in Regulatory services and by £0.407m in the Resources (customer) directorate, through a monitored and managed process of substitutions in line with the grant Terms and Conditions.<br>The Directorate also has been able to access £1.329m of additional grant funding for its work with people involved with substance misuse.<br>The Public Health Grant reserve balance was £4.215m at the start of the year and £1.127m has been utilised in 23/24. There is a clear plan for the utilisation of the balance of £3.088m over the coming two years aligned to Public Health Outcomes and OHID priorities and conditions.<br>The directorate has been able to invest over £3m more than the Public Health Grant in Public Health outcomes in the year through the mechanisms outlined above. |  |           |                      |                       |      |

| STRATEGIC MANAGEMENT BOARD   |  | Budget         | YTD Actuals    | Controllable Variance | RAGY     |
|--|--|----------------|----------------|-----------------------|----------|
| <b>Total</b>   |  | <b>162,730</b> | <b>318,098</b> | <b>139,698</b>        | <b>R</b> |
| <b>Chief Executive &amp; PAs</b>   | <b>Leader, Policy and Strategy, Improvement and Communications</b> | <b>145,770</b> | <b>149,439</b> | <b>3,669</b>          | <b>G</b> |
| Minor variance from budget at outturn.   |  |                |                |                       |          |
| <b>Programme Management</b>  | <b>Leader, Policy and Strategy, Improvement and Communications</b> | <b>16,960</b>  | <b>152,990</b> | <b>136,030</b>        | <b>R</b> |
| The programme management office is focused on delivering transformation across the organisation, it had initially been anticipated that all costs would be able to be capitalised, however following a detailed review of transactions it was determined that some would not be eligible under the capitalisation direction. |  |                |                |                       |          |

### 1.3 2023/24 REVENUE OUTTURN BY PORTFOLIO HOLDER

| Portfolio Holder  | Full Year               |                               |                                |
|---|-------------------------|-------------------------------|--------------------------------|
|   | Revised Budget<br>£'000 | Controllable Outturn<br>£'000 | Controllable Variance<br>£'000 |
| Portfolio Holder Adult Social Care and Public Health                            | 131,071                 | 135,480                       | 4,409                          |
| Portfolio Holder Children and Education   | 77,688                  | 81,653                        | 3,965                          |
| Deputy Leader and Portfolio Holder Climate Change, Environment and Transport    | 36,032                  | 37,801                        | 1,769                          |
| Portfolio Holder Housing and Assets   | 9,379                   | 10,276                        | 898                            |
| Portfolio Holder Growth and Regeneration  | 1,690                   | 1,707                         | 16                             |
| Portfolio Holder Highways   | 18,408                  | 18,136                        | (272)                          |
| Portfolio Holder Planning and Regulatory Services                               | 8,363                   | 7,818                         | (545)                          |
| Leader and Portfolio Holder Policy and Strategy, Improvement and Communications | 896                     | 267                           | (629)                          |
| Portfolio Holder Culture and Digital  | 9,993                   | 8,849                         | (1,144)                        |
| Portfolio Holder Finance, Corporate Resources and Communities                   | (37,607)                | (38,772)                      | (1,165)                        |
| <b>Total</b>  | <b>255,914</b>          | <b>263,216</b>                | <b>7,302</b>                   |

## APPENDIX 2

### MOVEMENT IN PROJECTIONS BETWEEN Q3 AND OUTTURN

| Directorate        | Q3 Controllable Variance<br>£'000 | Outturn Controllable Variance<br>£'000 | Movement<br>£'000 | Key Reasons for Movement  |
|--------------------|-----------------------------------|--|-------------------|---|
| Health & Wellbeing | (12)                              | (480)                                  | (467)             | The Director of Public health agreed that a further £0.461m of the Public Health Grant should be used to fund activities within Regulatory Services that deliver public health outcomes. The balance of favourable variances is due to prudent use of discretionary budgets.  |
| People             | 7,955                             | 8,379                                  | 424               | <ul style="list-style-type: none"> <li>•£0.261m to increase Bad Debt provision across Adult Social Care.</li> <li>•£0.336m Increase in Short Term back dated contracts</li> <li>•(£0.933m) Contribution received Hospital Discharge Gap</li> <li>• (£0.069m) Implementation of Supported Accommodation Reforms Grant received</li> <li>• (£0.076m) decrease relates to a release of Bad Debt provision</li> <li>• (£0.048m) net decrease relates to staffing including; an increase in the value of the credit received from the capitalisation of posts working on transformational projects; and an increase in staffing costs across Social Work Teams, including further Social Worker retention payments.</li> <li>• £0.173m increase relates to Internal Residential Homes</li> <li>• £0.125m increase in overspend on Disabled Children's Team; DCT Prevention and Support payments (£0.081m) and DCT Direct Payments (£0.080m)</li> <li>• £0.138m increase in overspend on 16-18 Supported Accommodation</li> <li>• (£0.089m) decrease in Leaving Care accommodation/allowances</li> <li>• (£0.083m) decrease in overall expenditure on External Residential Placements</li> <li>• £0.568m increase in Home to School Transport due to an increase in demand particularly on SEND Transport</li> <li>• £0.100m increase against former Teacher's Pension compensation payments</li> </ul> |
| Place              | 3,545                             | 1,928                                  | (1,617)           | <p>Rates rebates on multiple properties for multiple years across Corporate Landlord.</p> <p>Additional unplanned spend within Property Services Group and Corporate Landlord (inc. £0.052m RAC in Whitchurch and various other one off's) plus additional income received at Darwin Shopping Centre.</p> <p>Shire Services £0.060m due to one-off costs associated with staffing re-structure.</p> <p>Application of additional grant income received and use of reserves across Economy and Place.</p> <p>Greater projections in relation to staff capitalisation across Highways.</p>  |

|                            |               |              |                |  |
|----------------------------|---------------|--------------|----------------|--|
|                            |               |              |                | £0.177m variance to Q3 in Housing due to increased costs on Care Management and Temporary accommodation, and £0.101m adverse variance on Assistant Director of Homes & Communities due to reduction in staff capitalisation assumptions, savings achieved elsewhere in place and overspend on Shropshire Local. Business Consumer Protection generated greater income from PCNs, taxi badges and private hire vehicles than anticipated by -£0.170m, Theatre Services improvement due to lower production costs and lettings -£0.0401m, Leisure Services position improved by -£0.283m due to capitalisation of staff undertaking transformational activities.   |
| Resources                  | 2,877         | 1,397        | (1,481)        | Assumed capitalisation of ICT staffing built in (£0.637m) of which (£0.300m) is attributable to the customer programme, and additional Household Support Fund grant drawdown in Revenues & Benefits.<br>Not all cost for Treasury Management able to be recharged to the Pension Fund as originally forecast.<br>At P10 Public Health grant substitution of (£608k) was applied on a one-off basis across appropriate areas of customer journey savings. Review of staff capitalisation across the service, application of grant income and additional income alongside prudent review of discretionary budgets across Communications and Engagement.<br>Additional grant income of (£0.111m) relating to Apprenticeship Levy applied at year end. |
| Strategic Management Board | (2)           | 140          | 142            | Staff capitalisation on transformation projects has been applied 2023/24 (£0.117m) - capped at 80% of staff time – some initial projections were based on 100% staff time being capitalised.   |
| Corporate Budgets          | (404)         | (4,061)      | (3,657)        | Additional government grant income of (£1.693m), (£1.156m) of additional interest receivable/payment, and reduced contribution to transformation costs as a result of utilisation of capital funding for transformation costs.   |
| <b>Total</b>               | <b>13,959</b> | <b>7,302</b> | <b>(6,657)</b> |  |

## APPENDIX 3

### UPDATE ON DELIVERY OF 2023/24 SAVINGS PROPOSALS

#### Summary

The savings delivered for 2023/24 are detailed in the table below:

| Directorate                | Delivered<br>£'000 | Savings not<br>delivered<br>£'000 | Total<br>£'000 |
|----------------------------|--------------------|-----------------------------------|----------------|
| Health & Wellbeing         | 653                | 0                                 | 653            |
| People                     | 22,005             | (700)*                            | 21,304         |
| Place                      | 12,391             | 4,551                             | 16,942         |
| Resources                  | 4,070              | 1,957                             | 6,027          |
| Strategic Management Board | 0                  | 0                                 | 0              |
| Corporate Budgets          | 2,700              | 3,764                             | 6,464          |
| <b>Total</b>               | <b>41,818</b>      | <b>9,572</b>                      | <b>51,390</b>  |

\*Note: Overall the People directorate overachieved their savings target in 23/24, some of this delivery has been met one-off during the year and as a result will be a target rolled over into 24/25 to achieve on an ongoing basis. More detail is provided below.

Detail of the savings not delivered are provided below:

| Saving Reference and Description  | Savings not<br>delivered<br>£'000 | Comments  |
|---|-----------------------------------|---|
| <p><b>Health &amp; Wellbeing</b><br/>Savings of £0.160m were delivered as one-off savings in 23/24 and will therefore need to be delivered in 24/25. These are as follows:</p> <ul style="list-style-type: none"> <li>EFF03 - Removal of budgets for vacant posts (£0.062m)</li> <li>EFF105 -Target Operating Model/Workforce Strategy – Getting Leadership Right – cashable benefit of improved organisation-wide performance management (£0.087m)</li> <li>EFF101 - Target Operating Model – staffing budget turnover and wastage increase by 5% (£0.011m)</li> </ul>                       | 0                                 | <ul style="list-style-type: none"> <li>Carried forward to 2024/25 for delivery</li> <li>Carried forward to 2024/25 for delivery</li> <li>Carried forward to 2024/25 for delivery</li> </ul>   |
| <p><b>People</b></p> <ul style="list-style-type: none"> <li>EFF09 – Removal of budgets for vacant posts (avg. 3%)</li> <li>EFF14 - Prevent the need for residential care</li> <li>EFF20 – Reduce transport costs through improved efficiencies</li> <li>EFF27 – Review arrangements for personal budgets</li> <li>EFF40 – Contract review for supported living</li> <li>EFF101 – Target Operating Model – staffing budget turnover and wastage increase by 5% (year-end review).</li> <li>EFF105 – Target Operating Model/Workforce Strategy – Getting Leadership Right – cashable</li> </ul> | (700)*                            | <ul style="list-style-type: none"> <li>25 Carried forward to 2024/25 for delivery</li> <li>522 Carried forward to 2024/25 for delivery</li> <li>274 Carried forward to 2024/25 for delivery</li> <li>54 Carried forward to 2024/25 for delivery</li> <li>7 Carried forward to 2024/25 for delivery</li> <li>316 Carried forward to 2024/25 for delivery</li> <li>138 Carried forward to 2024/25 for delivery</li> </ul> |

| Saving Reference and Description   | Savings not delivered<br>£'000 | Comments   |
|--|--------------------------------|--|
| benefit of improved organisation-wide performance management   |                                |  |
| Overachievement against other savings targets within People  | (2,036)                        | Overachievement in 23/24 **  |
| <b>Place</b>   | <b>4,551</b>                   |  |
| EFF44 - Review PFI contract costs to secure greater efficiency   | 2,128                          | Revised saving proposals built into budget to offset this saving in 24/25  |
| EFF59 - Review of youth centres and other accommodation used for youth activities  | 36                             | Growth built into 2024/25 to remove unachievable saving.   |
| EFF18 - Decreased use of B&B accommodation as temporary accommodation for 2022/23 (including associated costs) in view of current action to reduce or divert demand. | 344                            | Growth built into 2024/25 to remove proportion of unachievable saving. Remainder will be carried forward to 2024/25 for delivery |
| EFF101 - Target Operating Model - staffing budget turnover and wastage increase by 5% (year-end review).   | 1,448                          | Carried forward to 2024/25 for delivery  |
| EFF105 - Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management                | 595                            | Growth built into 2024/25 to remove proportion of unachievable saving. Remainder will be carried forward to 2024/25 for delivery |
| <b>Resources</b>   | <b>1,957</b>                   |  |
| EFF79 - Reduce housing benefit subsidy loss arising from use of expensive bed and breakfast accommodation  | 1,000                          | Growth built into 2024/25 to remove unachievable saving.   |
| EFF82 - Legal and Governance restructure to include deletion of some vacant posts and the movement of others into transformation                                     | 67                             | Carried forward to 2024/25 for delivery  |
| EFF86 - Contract rebates and spending reductions   | 28                             | Carried forward to 2024/25 for delivery  |
| EFF87 - Operating Model - Digital County - Reduce/remove uneconomical Service Delivery   | 100                            | Carried forward to 2024/25 for delivery  |
| EFF88 - Review of single person discount and housing benefit applications against data warehouse to reduce error and fraud.  | 100                            | Carried forward to 2024/25 for delivery  |
| EFF89 - CCTV provision and management - Seek partner funding contributions   | 75                             |  |
| EFF105 - Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management                | 587                            | Carried forward to 2024/25 for delivery  |
| <b>Strategic Management Board</b>  | <b>0</b>                       |  |
| <b>Corporate Budgets</b>   | <b>3,764</b>                   |  |
| EFF100 - Review PFI contract costs to secure greater efficiency  | 214                            | Growth built into 2024/25 to remove unachievable saving.   |
| EFF103 - Target Operating Model - Transformation partner delivers 4 x end-to-end process reviews yielding £0.5m per project.   | 2,000                          | Carried forward to 2024/25 for delivery  |
| EFF107 - Contract Spend Analysis and Contract Management Review  | 50                             | Carried forward to 2024/25 for delivery  |
| EFF108 - Application of corporate grants   | 1,500                          | Carried forward to 2024/25 for delivery  |
| <b>Total</b>   | <b>9,572</b>                   |  |

## APPENDIX 4

### RECONCILIATION OF OUTTURN POSITION TO SAVINGS DELIVERY AND PRESSURES IDENTIFIED

|   | Outturn<br>Variance<br>(Controllable)<br>£000 | Savings<br>Pressure<br>in 2023/24<br>£000 | Ongoing<br>Monitoring<br>Pressures<br>Identified<br>£000 | Ongoing<br>Monitoring<br>Savings<br>Identified<br>£000 | One Off<br>Monitoring<br>Pressures<br>Identified<br>£000 | One Off<br>Monitoring<br>Savings<br>Identified<br>£000 |
|---|---|---|--|--|--|--|
| <b>Corporate Budgets</b>                              |   |   |  |  |  |  |
| Corporate Budgets                                     | (4,061)                                       | 3,764                                     | 0  | 0  | 189  | (8,014)  |
|   | (4,061)                                       | 3,764                                     | 0  | 0  | 189  | (8,014)  |
| <b>Health and Wellbeing</b>                           |   |   |  |  |  |  |
| Regulatory Services                                   | (475)   | 0   | 0  | 0  | 489  | (964)  |
| Ring Fenced Public Health Services                    | (5)   | 0   | 0  | 0  | 3,551  | (3,556)  |
|   | (480)   | 0   | 0  | 0  | 4,040  | (4,520)  |
| <b>People</b>   |   |   |  |  |  |  |
| Adult Social Care Business Support and Development    | (316)   | 0   | 83   | 0  | 14   | (413)  |
| Adult Social Care Management                          | (369)   | 0   | 24   | 0  | 0  | (393)  |
| Adult Social Care Provider Services                   | 207   | 0   | 0  | 0  | 396  | (189)  |
| Adult Social Care Operations                          | 2,367   | (1,081)                                   | 12,517   | 0  | 775  | (9,843)  |
| Children's Social Care and Safeguarding               | 3,343   | 0   | 8,165  | 0  | 9,678  | (14,500)   |
| Children's Early Help, Partnerships and Commissioning | (416)   | 0   | 0  | 0  | 70   | (487)  |
| Learning and Skills                                   | 1,039   | 0   | 0  | 0  | 1,229  | (190)  |
| People Directorate Management                         | 2,524   | 381                                       | 0  | 0  | 2,186  | (43)   |
|   | 8,379   | (700)                                     | 20,789   | 0  | 14,348   | (26,058)   |
| <b>Place</b>  |   |   |  |  |  |  |
| Housing Services                                      | 438   | 344                                       | 520  | 0  | 419  | (845)  |
| Bereavement Services                                  | (16)  | 0   | 0  | 0  | 0  | (16)   |
| Business and Consumer Protection                      | (318)   | 0   | 0  | 0  | 0  | (318)  |
| Registrars and Coroners                               | (160)   | 0   | 0  | 0  | 0  | (160)  |
| Assistant Director Commercial Services                | 113   | 111                                       | 0  | 0  | 2  |  |
| Corporate Landlord, Property and Development          | (1,451)                                       | 36  | 0  | 0  | 0  | (1,487)  |
| Shire Services  | 62  | 0   | 0  | 0  | 8  | 54   |
| Director of Place                                     | 1,344   | 1,459                                     | 0  | 0  | 0  | (115)  |
| Assistant Director Economy & Place                    | 146   | 103                                       | 0  | 0  | 43   | 0  |
| Planning Services                                     | 498   | 0   | 0  | 0  | 498  | 0  |
| Economic Growth                                       | (130)   | 0   | 0  | 0  | 0  | (130)  |
| Broadband   | (44)  | 0   | 0  | 0  | 0  | (44)   |
| Policy and Environment                                | (74)  | 0   | 0  | 0  | 0  | (74)   |
| Shrewsbury Shopping Centres (Commercial)              | 0   | 0   | 0  | 0  | 0  | 0  |
| Culture, Leisure & Tourism Development                | (16)  | 0   | 0  | 0  | 0  | (16)   |

|  | Outturn<br>Variance<br>(Controllable)<br>£000 | Savings<br>Pressure<br>in 2023/24<br>£000 | Ongoing<br>Monitoring<br>Pressures<br>Identified<br>£000 | Ongoing<br>Monitoring<br>Savings<br>Identified<br>£000 | One Off<br>Monitoring<br>Pressures<br>Identified<br>£000 | One Off<br>Monitoring<br>Savings<br>Identified<br>£000 |
|--|---|---|--|--|--|--|
| Highways & Transport                         | (443)   | 0   | 0  | 0  | 0  | (443)  |
| Shropshire Hills AONB                        | 0   | 0   | 0  | 0  | 0  | 0  |
| Outdoor Partnerships                         | 63  | 0   | 0  | 0  | 47   | 16   |
| Leisure                                      | 590   | 0   | 195  |  | 395  | 0  |
| Libraries                                    | 31  | 0   | 0  | 0  | 0  | 31   |
| Museums and Archives                         | (122)   | 0   | 0  | 0  | 0  | (122)  |
| Theatre Services                             | (539)   | 0   | 0  | 0  | 0  | (539)  |
| Waste Management                             | 1,998   | 2,128                                     | 0  | 0  | 178  | (308)  |
| Assistant Director Highway and<br>Transport  | 172   | 175                                       | 0  | 0  | 0  | (3)  |
| Commercial Services Business<br>Development  | 55  | 0   | 0  | 0  | 0  | 55   |
| Head of Culture, Leisure &<br>Tourism        | (377)   | 0   | 0  | 0  | 0  | (377)  |
| Climate Change                               | 23  | 0   | 0  | 0  | 0  | 23   |
| Highway Policy & Strategic<br>Infrastructure | (252)   | 0   | 0  | 0  | 0  | (252)  |
| Assistant Director Homes and<br>Communities  | 342   | 195                                       | 0  | 0  | 204  | (57)   |
| Housing Development and HRA                  | (6)   | 0   | 0  | 0  | 0  | (6)  |
|  | <b>1,926</b>                                  | <b>4,551</b>                              | <b>715</b>   | <b>0</b>   | <b>1,794</b>   | <b>(5,133)</b>   |

#### Resources

|  |              |              |              |          |              |                |
|--|--------------|--------------|--------------|----------|--------------|----------------|
| Automation and Technology                                | -702         | 0            | 0            | 0        | 183          | (885)          |
| Communications & Engagement                              | -769         | 123          | 0            | 0        | 54           | (946)          |
| Business Improvement: Data,<br>Analysis and Intelligence | -28          | 0            | 0            | 0        | 5            | (33)           |
| Human Resources and<br>Organisational Development        | 76           | 117          | 0            | 0        | 141          | (182)          |
| Finance  | 380          | 579          | 0            | 0        | 139          | (338)          |
| Pensions   | 171          | 0            | 0            | 0        | 171          | 0              |
| Commissioning Development<br>and Procurement             | -40          | 0            | 0            | 0        | 0            | (40)           |
| Risk Management  | 0            | 0            | 0            | 0        | 0            | 0              |
| Democratic Services                                      | -132         | 0            | 0            | 0        | 0            | (132)          |
| Elections  | -26          | 0            | 0            | 0        | 62           | (88)           |
| Legal Services   | 402          | 76           | 0            | 0        | 508          | (182)          |
| Policy & Governance                                      | -74          | 82           | 0            | 0        | 115          | (271)          |
| Resources Management Team                                | 897          | (20)         | 1,000        | 0        | 65           | (148)          |
| Housing Benefits   | 1,216        | 1,000        | 341          | 0        | 0            | (125)          |
| Scrutiny   | 27           | 0            | 0            | 0        | 27           | 0              |
|  | <b>1,398</b> | <b>1,957</b> | <b>1,341</b> | <b>0</b> | <b>1,470</b> | <b>(3,370)</b> |

#### Strategic Management Board

|                       |            |          |          |          |            |          |
|-----------------------|------------|----------|----------|----------|------------|----------|
| Chief Executive & PAs | 4          | 0        | 0        | 0        | 0          | 4        |
| Programme Management  | 136        | 0        | 0        | 0        | 136        | 0        |
|                       | <b>140</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>136</b> | <b>4</b> |

|              |              |              |               |          |               |                 |
|--------------|--------------|--------------|---------------|----------|---------------|-----------------|
| <b>TOTAL</b> | <b>7,302</b> | <b>9,572</b> | <b>22,845</b> | <b>0</b> | <b>21,977</b> | <b>(47,091)</b> |
|--------------|--------------|--------------|---------------|----------|---------------|-----------------|

## APPENDIX 5

### GENERAL FUND BALANCE

- 5.1 The General Fund reserve at 31st March 2023 stood at £7.093m, below the target level which is £15m-£30m as a minimum. The 2023/24 budget strategy included a contribution of £19.868m to the General Fund balance which would then reach £26.961m.
- 5.2 It is essential that the Council retains the General Fund Balance in order to be able to mitigate any unforeseen shocks (such as ongoing inflationary increases, climate events such as flooding and drought, or rapid reductions in available resources due to changed national policy). Independent advice is that General Fund un-earmarked reserves should equate to 5%- 10% of net spending.
- 5.3 At Quarter 3 it was agreed that £20.5m of the General Fund Balance would be released to the People directorate to fund demand pressures within Social Care, whilst the directorate implements demand management plans that will help to control demand for these services in the future.
- 5.4 It was also agreed that a detailed review of earmarked reserves would be performed to see if these could be released to the General Fund to offset this demand pressure in year. This exercise is now complete and £9.658m has been released from earmarked reserves, resulting in a net contribution to the General Fund of £10.842m for demand pressures to release funding to the General Fund.
- 5.5 The outturn of £7.877m has also been a cost pressure against the General Fund.
- 5.6 In 2019/20 – 2022/23, the General Fund was used to offset Shire Services' deficit outturn position, as the Shire Services' earmarked reserve had been fully utilised in 2019/20. This use of the General Fund effectively represents a loan to Shire Services which must be repaid. The General Fund has been used again in 2023/24 to offset Shire Services' unfunded deficit (£0.121m), following a further year in which the service has been unable to repay the General Fund contribution made in the last 4 years. Therefore, the total loan now stands at £1.463m, and it is still intended that this will be repaid within a reasonable time frame.

| General Fund                          | £'000    | £'000        |
|---------------------------------------|----------|--------------|
| Balance at 1 <sup>st</sup> April 2023 |          | 7,093        |
| Budgeted Contribution to GF           |          | 19,868       |
| Demand Pressure                       | (20,500) |              |
| Release of earmarked reserves         | 9,658    |              |
| Net release to fund demand pressure   |          | (10,842)     |
| Controllable Overspend*               |          | (7,877)      |
| Non controllable Insurance overspend  |          | (5)          |
| <b>Balance at 31 March 2024</b>       |          | <b>8,237</b> |

\* The unfunded deficit for Shire Services referred to in para. 5.6 is included within the controllable overspend of £7.877m.

## APPENDIX 6

### AMENDMENTS TO ORIGINAL BUDGET 2023/24

|   | Total<br>£'000 | Health &<br>Wellbeing<br>£'000 | People<br>£'000 | Place<br>£'000 | Resources<br>£'000 | Strategic<br>Management<br>Board<br>£'000 | Corporate<br>Budgets<br>£'000 |
|---|----------------|--------------------------------|-----------------|----------------|--------------------|---|-------------------------------|
| <b>Original Budget as<br/>Agreed by Council</b> | <b>255,914</b> | <b>2,038</b>                   | <b>200,478</b>  | <b>77,124</b>  | <b>3,827</b>       | <b>39</b>                                 | <b>(27,593)</b>               |
| <b><u>Quarter 1</u></b>                         |                |                                |                 |                |                    |   |                               |
| Structure Changes                               | 0              | (199)                          | (3,332)         | (1,932)        | (1,269)            | 105                                       | 6,627                         |
| Virements                                       | 0              | 0                              | (85)            | 85             | 0                  | 0   | 0                             |
| <b><u>Quarter 2</u></b>                         |                |                                |                 |                |                    |   |                               |
| Structure Changes                               | 0              | 0                              | 0               | 0              | 0                  | 0   | 0                             |
| Virements                                       | 0              | 0                              | 450             | (104)          | (212)              | 5   | (139)                         |
| <b><u>Quarter 3</u></b>                         |                |                                |                 |                |                    |   |                               |
| Structure Changes                               | 0              | 0                              | 0               | 0              | 0                  | 0   | 0                             |
| Virements                                       | 0              | 39                             | 604             | 578            | 418                | 13  | (1,651)                       |
| <b><u>Quarter 4</u></b>                         |                |                                |                 |                |                    |   |                               |
| Structure Changes:                              | 0              | 0                              | 0               | 0              | 0                  | 0   | 0                             |
| Virements:                                      | 0              | 0                              | 0               | 0              | 0                  | 0   | 0                             |
|   |                |                                |                 |                |                    |   |                               |
| <b>Revised Budget</b>                           | <b>255,914</b> | <b>1,878</b>                   | <b>198,115</b>  | <b>75,751</b>  | <b>2,764</b>       | <b>162</b>                                | <b>(22,756)</b>               |

## APPENDIX 7

### HOUSING REVENUE ACCOUNT 2023/24

| As at 31 March 2024                           | Original Budget<br>£ | Outturn<br>£        | Variance Adverse/<br>(Favourable)<br>£ |
|---|----------------------|---------------------|--|
| <b>Income</b>                                 |                      |                     |  |
| Dwellings Rent                                | (19,547,030)         | (19,356,453)        | 190,577                                |
| Garage Rent                                   | (95,300)             | (97,499)            | (2,199)                                |
| Other Rent                                    | (30,000)             | (27,740)            | 2,260                                  |
| Charges for Services                          | (735,380)            | (1,050,415)         | (315,035)                              |
| <b>Total Income</b>                           | <b>(20,407,710)</b>  | <b>(20,532,107)</b> | <b>(124,397)</b>                       |
| <b>Expenditure</b>                            |                      |                     |  |
| ALMO Management Fee                           | 9,663,160            | 9,663,160           | 0                                      |
| Supplies and Services                         | 683,600              | 942,163             | 258,563                                |
| Capital Charges – Dwelling Depreciation       | 4,471,690            | 4,889,368           | 417,678                                |
| Capital Charges – Depreciation Other          | 261,670              | 245,300             | (16,370)                               |
| Repairs charged to revenue                    | 625,000              | 600,760             | (24,240)                               |
| Revenue Financing Capital Expenditure         | 1,013,410            | 2,188,432           | 1,175,022                              |
| New Development Feasibility                   | 250,000              | 48,528              | (201,472)                              |
| Increase in Bad Debt Provision                | 50,000               | 45,000              | (5,000)                                |
| Corporate & Democratic Core                   | 357,520              | 419,521             | 62,001                                 |
| <b>Total Expenditure</b>                      | <b>17,376,050</b>    | <b>19,042,232</b>   | <b>1,666,182</b>                       |
| <b>Net Cost of Services</b>                   | <b>(3,031,660)</b>   | <b>(1,489,875)</b>  | <b>1,541,785</b>                       |
| Interest Paid                                 | 3,305,270            | 2,112,571           | (1,192,699)                            |
| <b>Net Operating Expenditure</b>              | <b>273,610</b>       | <b>622,696</b>      | <b>349,086</b>                         |
| <b>Net Cost of Service/(Surplus) for Year</b> | <b>273,610</b>       | <b>622,696</b>      | <b>349,086</b>                         |
| <b>HRA Reserve</b>                            |                      |                     |  |
| B/Fwd 1 April                                 | (12,359,314)         | (12,359,314)        | 0                                      |
| (Surplus)/Deficit for year                    | 273,610              | 622,696             | 349,086                                |
| C/Fwd 31 March                                | <b>(12,085,704)</b>  | <b>(11,736,618)</b> | <b>349,086</b>                         |

## APPENDIX 8

### EARMARKED RESERVES

8.1 The change in revenue reserves and provisions are detailed in the table below and shows a reduction in the overall reserves and provisions held.

#### Movement in Reserves and Provisions 2023/24

|  | Reserves<br>£'000 | Provisions<br>£'000 | Bad Debt<br>Provisions<br>£'000 | Total<br>Reserves and<br>Provisions<br>£'000 |
|--|-------------------|---------------------|---------------------------------|--|
| As at 31 March 2023  | 52,579            | 12,240              | 21,044                          | 85,863                                       |
| As at 31 March 2024  | 35,407            | 8,955               | 22,077                          | 66,439                                       |
| <b>Increase/(Decrease)</b>   | <b>(17,172)</b>   | <b>(3,285)</b>      | <b>1,033</b>                    | <b>(19,424)</b>                              |
| Delegated School Balances<br>Movement                                    | (3,147)           | 0                   | 0                               | (3,147)                                      |
| <b>Increase/(Decrease)<br/>(excluding Delegated<br/>School Balances)</b> | <b>(14,025)</b>   | <b>(3,285)</b>      | <b>1,033</b>                    | <b>(16,277)</b>                              |

#### Schedule of Earmarked Reserves and Provisions:

|  | Purpose of Balance  | Balance<br>Brought<br>Forward<br>(£'000) | Expenditure<br>in 2023/24<br>(£'000) | Income in<br>2023/24<br>(£'000) | Balance<br>Carried<br>Forward<br>(£'000) |
|--|---|--|--------------------------------------|---------------------------------|--|
| <b>Reserves</b>  |   |  |                                      |                                 |  |
| <b>Sums set aside for major schemes, such as capital developments, or to fund major reorganisation</b> |   |  |                                      |                                 |  |
| Redundancy   | Required to meet one-off costs arising from approved staffing reductions, allowing the full approved savings in salaries or wages to reach the revenue account.   | 0  | -55                                  | 2,055                           | 2,000                                    |
| Revenue Commitments for Future Capital Expenditure   | Comprises of underspends against budgeted revenue contributions available for capital schemes. The underspends have arisen due to slippage in capital schemes or because other funding streams were utilised during the year so as to maximise time limited grants. | 3,815                                    | -654                                 | 37                              | 3,199                                    |
| Development Reserve  | Required to fund development projects or training that will deliver efficiency savings.   | 8,862                                    | -10,099                              | 6,933                           | 5,696                                    |
| Invest to save Reserve   | Required to fund invest to save projects in order to deliver the service transformation programme.  | 2,070                                    | -1,400                               | 709                             | 1,379                                    |
|  |   | <b>14,747</b>                            | <b>-12,208</b>                       | <b>9,735</b>                    | <b>12,274</b>                            |
| <b>Insurance Reserves</b>  |   |  |                                      |                                 |  |
| Fire Liability   | Required to meet the cost of excesses on all council properties.  | 2,216                                    | -1,528                               | 362                             | 1,051                                    |

|   | Purpose of Balance  | Balance Brought Forward (£'000) | Expenditure in 2023/24 (£'000) | Income in 2023/24 (£'000) | Balance Carried Forward (£'000) |
|---|---|---------------------------------|--------------------------------|---------------------------|---------------------------------|
| Motor Insurance                                       | An internally operated self-insurance reserve to meet costs not covered by the Council's Motor Insurance Policy.  | 1,420                           | -1,054                         | 168                       | 533                             |
|   |   | <b>3,636</b>                    | <b>-2,582</b>                  | <b>529</b>                | <b>1,584</b>                    |
| <b>Reserves of trading and business units</b>         |   |                                 |                                |                           |                                 |
| Shire Catering and Cleaning Efficiency                | Built up from trading surpluses to invest in new initiatives, to meet exceptional unbudgeted costs or cover any trading deficits.   | 0                               | -5                             | 5                         | 0                               |
|   |   | <b>0</b>                        | <b>-5</b>                      | <b>5</b>                  | <b>0</b>                        |
| <b>Reserves retained for service departmental use</b> |   |                                 |                                |                           |                                 |
| Building Control                                      | Required to manage the position regarding building control charges.   | 424                             | -113                           | 0                         | 311                             |
| Care Act & IBCF Reserve                               | Required to fund the costs of implementing the Care Act requirements within the Council. This will be committed to the costs of one off posts required to implement the changes and training costs for staff within Adult Services. Plus unspent IBCF monies required to fund the IBCF programme in future years. | 1,968                           | -1,426                         | 480                       | 1,022                           |
| Economic Development Workshops Major Maintenance      | Established to meet the costs of major maintenance of Economic Development Workshops.   | 149                             | 0                              | 0                         | 149                             |
| External Fund Reserve                                 | Reserves held where the Council is the administering body for trust funds or partnership working.   | 2,698                           | -700                           | 127                       | 2,125                           |
| Financial Strategy Reserve                            | Established specifically to provide one off funding for savings proposals in the Financial Strategy   | 0                               | 0                              | 0                         | 0                               |
| COVID Government Funding Reserve                      | Established to hold funds advanced by Government to respond to the COVID 19 pandemic which require to be applied in future years  | 391                             | -391                           | 0                         | 0                               |
| Savings Management - Highways                         | Established specifically to provide one off funding for highways savings proposals in the Financial Strategy  | 0                               | 0                              | 0                         | 0                               |
| Highways Development & Innovation Fund                | Set aside funds for pump priming the Development and Innovation programme.  | 1,500                           | -900                           | 0                         | 600                             |
| New Homes Bonus                                       | Established from unapplied New Homes Bonus Grant balances.  | 1,177                           | -342                           | 0                         | 834                             |
| Public Health Reserve                                 | This reserve includes balances committed to specific public health projects.  | 4,323                           | -1,127                         | 23                        | 3,220                           |
| Repairs & Maintenance Reserve                         | Set aside for known repairs and maintenance required to Council owned properties.   | 333                             | -87                            | 0                         | 246                             |
| Resources Efficiency                                  | Established for investment in new developments, particularly information technology, that service area would not be expected to meet from their internal service level agreements for support services.   | 1,217                           | -838                           | 116                       | 495                             |
| Revenue Commitments from Unringfenced Revenue Grants  | Established from unapplied unringfenced Grant balances. Commitments have been made against these balances in 2023/24  | 4,328                           | -1,871                         | 884                       | 3,341                           |
| Severe Weather  | Required to meet unbudgeted costs arising from the damage caused by severe weather. The policy of the Council is to budget for an average year's expenditure in the revenue accounts and transfer any underspend to the reserve or fund any overspend from the reserve.   | 3,009                           | -2,694                         | 0                         | 315                             |

|   | Purpose of Balance   | Balance Brought Forward (£'000) | Expenditure in 2023/24 (£'000) | Income in 2023/24 (£'000) | Balance Carried Forward (£'000) |
|---|--|---------------------------------|--------------------------------|---------------------------|---------------------------------|
| TMO Vehicle Replacement                               | Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.   | 67                              | -30                            | 0                         | 37                              |
|   |  | <b>21,583</b>                   | <b>-10,521</b>                 | <b>1,631</b>              | <b>12,693</b>                   |
| <b>School Balances</b>                                |  |                                 |                                |                           |                                 |
| Balances held by schools under a scheme of delegation | Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion.   | 10,487                          | -10,919                        | 7,772                     | 7,340                           |
| Schools Building Maintenance Insurance                | The schools building maintenance insurance scheme is a service provided by Property Services for schools. In return for an annual sum all structural repairs and maintenance responsibilities previously identified as the "authority's responsibility" are carried out at no additional charge to the school. | 2,126                           | -616                           | 6                         | 1,516                           |
|   |  | <b>12,612</b>                   | <b>-11,534</b>                 | <b>7,778</b>              | <b>8,856</b>                    |

|                       |               |                |               |               |
|-----------------------|---------------|----------------|---------------|---------------|
| <b>Total Reserves</b> | <b>52,579</b> | <b>-36,850</b> | <b>19,678</b> | <b>35,407</b> |
|-----------------------|---------------|----------------|---------------|---------------|

| <b>Provisions</b>             |  |               |              |                |               |
|-------------------------------|--|---------------|--------------|----------------|---------------|
| Accumulated Absences Account  | Provision to cover potential future payments of employee benefits not taken as at the end of the year. This is required under IFRS accounting regulations. | 3,055         | 2,545        | -3,055         | 2,545         |
| Other Provisions - Short Term | Includes a number of small provisions including Environmental Maintenance contract commitments and Shopping Centre rental payments                         | 708           | 5            | -552           | 161           |
| Other Provisions - Long Term  | Includes a number of small provisions including S106 Accrued Interest, profit share agreements and Shopping Centre rental payments.                        | 73            | 0            | 0              | 73            |
| Tenancy Deposit Clawbacks     | This represents deposits held for the economic development workshops that may be repaid at some point in the future.                                       | 234           | 36           | -28            | 243           |
| Liability Insurance           | Provision to meet the estimated actuarial valuation of claims for public liability and employers' liability  | 4,096         | 847          | -965           | 3,978         |
| NDR Appeals                   | Represents the Council's share of the provision held for successful appeals against business rates.  | 4,074         | 2,342        | -4,461         | 1,955         |
| Council Tax Bad Debt          | Held for potential write offs of Council tax debtor balances.  | 10,717        | 1,929        | -294           | 12,352        |
| NNDR Bad Debt                 | Held for potential write offs of NNDR debtor balances.   | 2,520         | -43          | 0              | 2,477         |
| General Fund Bad Debts        | Held for potential write offs of debtor balances for General Fund Services including Housing Benefits.   | 7,414         | 524          | -1,076         | 6,862         |
| HRA Bad Debts                 | Held for potential write offs of debtor balances for Housing Revenue Account rents and other debtor balances.  | 394           | 0            | -53            | 341           |
| <b>Total Provisions</b>       |  | <b>33,284</b> | <b>8,231</b> | <b>-10,483</b> | <b>31,032</b> |

|  |               |                |              |               |
|--|---------------|----------------|--------------|---------------|
| <b>Total Reserves &amp; Provisions</b> | <b>85,863</b> | <b>-28,619</b> | <b>9,195</b> | <b>66,439</b> |
|--|---------------|----------------|--------------|---------------|

## Delegated School Balances

8.2 The movement in delegated schools' balances are detailed in the table below.

### Movement in delegated school balances 2023/24

|  | 2022/23<br>£'000 | 2023/24<br>£'000 | Increase/<br>(Decrease)<br>£'000 |
|--|------------------|------------------|----------------------------------|
| Schools:                               |                  |                  |                                  |
| - Revenue Balances                     | 6,486            | 6,083            | (403)                            |
| - Invested Balances                    | 470              | 459              | (11)                             |
| - Extended Schools Activities Balance  | 834              | 797              | (37)                             |
| <b>Sub Total within Schools</b>        | <b>7,791</b>     | <b>7,340</b>     | <b>(451)</b>                     |
| DSG (Deficit)/Surplus                  | 2,695            | 0                | (2,695)                          |
| <b>Total Delegated School Balances</b> | <b>10,486</b>    | <b>7,340</b>     | <b>(3,146)</b>                   |

8.3 Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion. Of the 85 schools with balances, 8 have deficit balances.

8.4 The Extended Schools activities allocations for schools have decreased marginally during 2023/24. These balances are ringfenced to each individual school within School Balances.

8.5 In 2020, new reporting requirements were introduced to establish a new reserve for Dedicated Schools Grant (DSG) balances. For those local authorities with a DSG balance surplus, the requirement is that the surplus is held in a earmarked useable reserve, and so for 2022/23 the Council held a surplus of £2.695m which was held in School Balances within Earmarked Reserves. During 2023/24 the Council had an overspend against DSG and so now holds a DSG deficit of £2.304m. The reporting requirements require that any DSG deficit is instead held in an unusable reserve named the DSG Adjustment Account.

## APPENDIX 9

### REVISED CAPITAL PROGRAMME

| Detail                       | Agreed Capital Programme - Council 02/03/24 | Slippage & Budget Changes Approved To Quarter 3 2023/24 | Quarter 4 Budget Changes to be Approved | Revised 2023/24 Capital Programme Quarter 4 |
|------------------------------|---|---|---|---|
|                              | £m  | £m  | £m                                      | £m  |
| <b>General Fund</b>          |   |   |   |   |
| Adult Services               | -   | -   | -                                       | -   |
| Childrens Services           | 16.190                                      | (5.634)   | (1.175)                                 | 9.381                                       |
| Place                        | 77.054                                      | (4.410)   | 1.264                                   | 73.908                                      |
| Resources                    | 1.000                                       | (0.858)   | 0.379                                   | 0.521                                       |
| <b>Total General Fund</b>    | <b>94.244</b>                               | <b>(10.902)</b>   | <b>0.468</b>                            | <b>83.810</b>                               |
| Housing Revenue Account      | 20.475                                      | 12.351  | (16.624)                                | 16.202                                      |
| <b>Total Approved Budget</b> | <b>114.719</b>                              | <b>1.448</b>  | <b>(16.156)</b>                         | <b>100.012</b>                              |

## APPENDIX 10

### CAPITAL PROGRAMME OUTTURN POSITION BY DIRECTORATE 2023/24

| Detail                         | Revised Capital Programme -<br>Outturn 2023/24<br>£m | Actual Expenditure<br>31/03/2024<br>£m | Variance<br>£m | Spend To Budget<br>% |
|--------------------------------|--|--|----------------|----------------------|
| <b>General Fund</b>            |  |  |                |                      |
| Health & Wellbeing             | -  | -                                      | -              | -                    |
| People                         | 9.381  | 6.823                                  | 2.558          | 72.7%                |
| Place                          | 73.908   | 69.662                                 | 4.246          | 94.3%                |
| Resources                      | 0.521  | 0.794                                  | (0.273)        | 152.4%               |
| <b>Total General Fund</b>      | <b>83.810</b>  | <b>77.279</b>                          | <b>6.531</b>   | <b>92.2%</b>         |
| <b>Housing Revenue Account</b> | 16.202   | 15.060                                 | 1.142          | 92.9%                |
| <b>Total Approved Budget</b>   | <b>100.012</b>                                       | <b>92.339</b>                          | <b>7.673</b>   | <b>92.3%</b>         |

## APPENDIX 11

### SUMMARY OF SIGNIFICANT VARIANCES BETWEEN REVISED OUTTURN BUDGET AND OUTTURN EXPENDITURE BY DIRECTORATE AND SERVICE AREAS FOR 2023/24

11.1 The overall capital programme, both General Fund and HRA, outturned at £92.3m expenditure against a budget profile of £100m for the 2023/24 financial year, a £7.7m underspend against expected profile or 92% expenditure against budget.

11.2 **People** - Total underspend against People capital programme was £1.5m against profile.

- £0.4m underspend against Adult Social Care Operations to support Technology Equipment and Adaptation requirements for supported living, this funding will continue in the 2024/25 financial to support further initiatives.
- £1.0m against Learning and Skills for various school-controlled grants such as Devolved Formula Capital and Energy Efficiency Grants. These grants have a three year spend period and will be rolled into the 2024/25 financial year for continued expenditure.

11.3 **Place** – Total underspend against the Place capital programme was £5.3m, which was comprised of the following areas of main underspends and overspends against profiles:

- **Place – Homes and Communities** - £0.175k above budget profile as a result of expenditure incurred on the Whitchurch Leisure Centre project varying against budget profile for the year. The project overall remains within budget and the 2024/25 budget profile has been reduced to reflect.
- **Place – Infrastructure** – Overall financial outturn position for 2023/24 is £3.9m underspend against budget. Place Infrastructure contains a number of Highways related projects and the main areas of outturn variation are:
  - £0.7m underspend on the £1.54m OZEV residential charging points grant project. The project is in mid delivery with many installs completed with the remaining elements being finalised early 2024/25.
  - £1.4m underspend on the overall Integrated Transport Plan Grant. This is mainly due to timing delays on the delivery of a number of identified projects. The grant is fully committed against prioritised identified schemes, and these will continue to full delivery in the 2024/25 financial year.
  - £1.8m underspend on Highways Maintenance Block. The government announced additional funding of £2.6m towards the end of the scheduled Highways Maintenance works calendar and not all of this additional funding could be incorporated into a deliverable programme. This underspend will be utilised in the 2024/25 financial year alongside further Department for Transport Highways Maintenance Grant.

- **Place - Housing Services** - £1.0m underspend against profile. Disabled Facilities Grants (DFG) finalised at £1.0m overspend against profiled budget. Previous delays in delivery resulting from Covid are now rapidly being progressed with unspent grant funding previously profiled over a three-year period. This overspend against profile will be financed from previous years unspent grant. The second element of Housing relates to an underspend of £2.0m on a number of Energy Efficiency Grant projects against profiles. A number of these have now been extended into the 2024/25 financial year.
- 11.4 **Housing Revenue Account** - Total underspend against the HRA programme was £1m, of which £0.5m was on the Major Repairs Programme against an overall budget allocation of £7.418m so significant expenditure has been invested with just a slight underspend. £0.5m was on the New Build Programme which was mainly due to profiling of contractor payments and costs which will continue into 2024-25, with the overall programme still on schedule.

## APPENDIX 12

### REVISED CAPITAL PROGRAMME FINANCING 2023/24

| Detail  | Agreed Capital Programme - Council 02/03/24 | Slippage & Budget Changes Approved To Quarter 3 2023/24 | Quarter 4 Budget Changes to be Approved | Revised 2023/24 Capital Programme Quarter 4 |
|---|---|---|---|---|
|   | £m  | £m  | £m                                      | £m  |
| <b>Financing</b>  |   |   |   |   |
| Self Financed Prudential Borrowing *                      | 39.169                                      | (14.743)  | (7.785)                                 | 16.640                                      |
| SALIX Loan  | 1.910                                       | (1.000)   | -                                       | 0.910                                       |
| Government Grants   | 48.690                                      | 5.5959  | (4.420)                                 | 49.866                                      |
| Other Grants  | 0.118                                       | 2.157   | (0.624)                                 | 1.650                                       |
| Other Contributions                                       | 7.175                                       | 1.916   | (1.6147)                                | 7.476                                       |
| Revenue Contributions to Capital                          | 0.749                                       | 3.440   | (0.743)                                 | 3.446                                       |
| Major Repairs Allowance                                   | 4.828                                       | 3.488   | (1.218)                                 | 7.098                                       |
| Corporate Resources (expectation - Capital Receipts only) | 12.080                                      | 0.596   | 0.250                                   | 12.925                                      |
| <b>Total Confirmed Funding</b>                            | <b>114.719</b>                              | <b>1.448</b>  | <b>(16.156)</b>                         | <b>100.012</b>                              |

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

## APPENDIX 13

### CAPITAL PROGRAMME 2024/25 TO 2026/27

| Detail  | 2024/25<br>£m  | 2025/26<br>£m  | 2026/27<br>£m |
|---|----------------|----------------|---------------|
| <b>General Fund</b>                                       |                |                |               |
| Health & Wellbeing  | -              | -              | -             |
| People  | 9.025          | 9.280          | 3.950         |
| Place & Enterprise  | 79.397         | 95.617         | 35.923        |
| Resources   | 0.100          | -              | -             |
| <b>Total General Fund</b>                                 | <b>88.523</b>  | <b>104.897</b> | <b>39.873</b> |
| <b>Housing Revenue Account</b>                            | 29.253         | 14.232         | 9.000         |
| <b>Total Approved Budget</b>                              | <b>117.776</b> | <b>119.129</b> | <b>48.873</b> |
| <b>Financing</b>  |                |                |               |
| Self Financed Prudential Borrowing *                      | 40.024         | 19.352         | 9.336         |
| SALIX Loan  | -              | -              | -             |
| Government Grants   | 57.267         | 79.420         | 29.591        |
| Other Grants  | 0.192          | 0.044          | -             |
| Other Contributions                                       | 5.461          | 6.173          | 0.500         |
| Revenue Contributions to Capital                          | 0.231          | 0.747          | 0.347         |
| Major Repairs Allowance                                   | 4.828          | 5.000          | 5.000         |
| Corporate Resources (expectation - Capital Receipts only) | 9.772          | 8.393          | 4.100         |
| <b>Total Confirmed Funding</b>                            | <b>117.776</b> | <b>119.129</b> | <b>48.873</b> |

## APPENDIX 14

### PROJECTED CAPITAL RECEIPTS POSITION

- 14.1 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. Appendix 14 summarises the current allocated and projected capital receipt position across 2023-24 to 2026-27. A RAG analysis has been applied for capital receipts projected, based on the current likelihood of generating them by the end of each financial year. Those marked as green are highly likely to be completed by the end of the financial year, amber 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.
- 14.2 During the 2023-24 financial year, there has been an unprecedented requirement for capital receipts to fund expenditure in addition to that required by schemes detailed in the approved capital programme. This additional requirement has primarily arisen due to the Council's ambitious transformation programme. As reported throughout the year, the intention has been to utilise the statutory flexible use of capital receipts to finance this transformation programme and so deliver revenue budget savings. Expenditure incurred in the year in relation to the transformation programme totalled £10.062m. Capital receipts were also required for the approved capital programme (£11.501m), to finance ongoing redundancy costs under the flexibilities around the use of capital receipts for transformation revenue purposes (£2.444m) and for third party loans (£0.684m). The requirement for capital receipts in 2023-24 was £24.692m. By following Council policy of applying un-ringfenced capital grants in place of capital receipts where they are not required in full due to scheme underspends, this requirement was reduced by £3.133m to £21.559m.
- 14.3 Capital receipts of £11.042m were realised in year, resulting in an unmet requirement of £10.517m. To further mitigate this requirement, capital receipts required to fund the approved capital programme were replaced by borrowing of £8.227m, resulting in a final unmet requirement position of £2.290m in year. This requirement has been resolved by a draw down from the capital receipts set aside.
- 14.4 Replacement of capital receipts funding with borrowing results in an additional Minimum Revenue Provision (MRP) liability of £0.584m and so impact on the revenue budget.
- 14.5 The table below summarises the capital receipts requirement and availability in 2023-24.

|   | General Fund<br>£m | HRA<br>£m      | Total<br>£m     |
|---|--------------------|----------------|-----------------|
| <b>2023-24 Capital Receipts Requirement</b>         |                    |                |                 |
| Approved Capital Programme                          | 11.330             | 0.171          | 11.501          |
| Ongoing Redundancies                                | 2.444              |                | 2.444           |
| Third Party Loans                                   | 0.684              |                | 0.684           |
| Council Transformation Programme                    |                    |                |                 |
| - Transformation Projects                           | 6.702              |                | 6.702           |
| - Strategic Transformation Partner                  | 3.360              |                | 3.360           |
|   | <b>24.520</b>      | <b>0.171</b>   | <b>24.692</b>   |
| <b>2023-24 Capital Receipts Available</b>           |                    |                |                 |
| Capital Receipts Replaced With Grant                | (3.133)            |                | (3.133)         |
| Capital Receipts Replaced By Borrowing              | (8.197)            | (0.030)        | (8.227)         |
| Capital Receipts Realised                           | (9.212)            | (1.830)        | (11.042)        |
|   | <b>(20.541)</b>    | <b>(1.860)</b> | <b>(22.402)</b> |
|   |                    |                |                 |
| <b>2023-24 Capital Receipts Surplus / (Deficit)</b> | <b>(3.979)</b>     | <b>1.689</b>   | <b>(2.290)</b>  |

- 14.6 Capital receipts of £17.465m were brought forward from 2022-23 and following the utilisation of £2.290m to fund the capital receipts requirement in 2023-24, the Council has £15.175m in capital receipts in hand at 31/03/24. These will be set-aside, enabling the Council to achieve an additional MRP saving of £0.420m in 2024/25. These capital receipts are required to finance schemes they are allocated to in the future years' capital programme.
- 14.7 Based on the current approved position, across the life of the programme there are significant shortfalls in capital receipt projections of £29.050m, £60.303m and £64.338m in 2024/25, 2025/26 and 2026/27 respectively based on receipts rated green in the RAG analysis to fund the required budget in the capital programme, further transformation programme commitments and the current Voluntary Redundancy (VR) Programme initiated to achieve significant revenue budget savings. There is, therefore, the requirement to progress the disposals rated amber and red, which over the period 2024-25 to 2027-28 total £57.896m, 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. Officers are currently exploring the potential to accelerate the realisation of capital receipts and to identify additional opportunities to achieve further capital receipts.
- 14.8 It is important that work progresses, to avoid funding shortfalls in 2024/25, 2025/26 and 2026/27 and minimise any shortfall in future years. Failure to generate the required level of capital receipts will result in the need to further reduce or re-profile the capital programme, some of which will occur naturally as part of the review of the delivery of schemes; or undertake prudential borrowing, which will incur future year's revenue costs that are not budgeted in the revenue financial strategy.
- 14.9 The projected shortfall in capital receipts is purely based on the currently approved capital programme for the period 2024-25 to 2026-27. The current Capital Strategy 2023-24 to 2028-29, approved by Council in February 2024, identifies potential future

priority capital schemes with estimated costs of £239.223m. It is prudent for schemes which are not anticipated to generate additional income to be funded from capital receipts. This will further increase the future pressure on capital receipts generation.

| Detail   | 2023/24<br>£m | 2024/25<br>£m | 2025/26<br>£m   | 2026/27<br>£m   |
|--|---------------|---------------|-----------------|-----------------|
| Corporate Resources Allocated in Capital Programme                                 | - 1.465       | 14.182        | 8.393           | 4.100           |
| Capital Receipts used to finance redundancy costs                                  | 2.444         | -             | -               | -               |
| Capital Receipts used to finance Transformation costs                              | 10.062        | 12.097        | -               | -               |
| Capital Receipts used to finance VR costs  | -             | 11.000        | -               | -               |
| To be allocated from Ring Fenced Receipts  | -             | 8.983         | 22.925          | -               |
| <b>Total Commitments</b>   | <b>11.042</b> | <b>46.263</b> | <b>31.319</b>   | <b>4.100</b>    |
| <b>Capital Receipts in hand/projected:</b>   |               |               |                 |                 |
| Brought Forward in hand  | 17.465        | 15.175        | (29.050)        | (60.303)        |
| Generated 2020/21 YTD  | 11.042        | -             | -               | -               |
| Projected - 'Green'  | -             | 2.038         | 0.065           | 0.065           |
| <b>Total in hand/projected</b>   | <b>28.507</b> | <b>17.213</b> | <b>(28.985)</b> | <b>(60.238)</b> |
| Shortfall to be financed from Prudential Borrowing /<br>(Surplus) to carry forward | (17.465)      | 29.050        | 60.303          | 64.338          |
| Further Assets Being Considered for Disposal                                       | -             | 30.824        | 9.463           | 7.001           |

Shropshire Council - Capital Programme 2023/24 - 2026/27

Appendix 15

Capital Programme Summary Outturn 2023/24

| Directorate                    | Revised Budget Quarter 3 2023/24<br>£ | Budget Virements Quarter 4<br>£ | Revised Budget Quarter 4<br>£ | Actual Spend<br>£ | Spend to Budget Variance<br>£ | % Budget Spend | Outturn Projection<br>£ | 2024/25 Revised Budget<br>£ | 2025/26 Revised Budget<br>£ | 2026/27 Revised Budget<br>£ |
|--------------------------------|---------------------------------------|---------------------------------|-------------------------------|-------------------|-------------------------------|----------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>General Fund</b>            |                                       |                                 |                               |                   |                               |                |                         |                             |                             |                             |
| Health & Wellbeing             | 0                                     | 0                               | 0                             | 0                 | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| People                         | 10,555,524                            | (1,174,860)                     | 9,380,664                     | 6,823,052         | 2,557,612                     | 72.74%         | 9,380,664               | 9,025,290                   | 9,280,231                   | 3,950,000                   |
| Place                          | 72,643,595                            | 1,264,253                       | 73,907,848                    | 69,661,959        | 4,245,889                     | 94.26%         | 73,907,848              | 79,397,344                  | 100,617,104                 | 40,923,256                  |
| Resources                      | 142,361                               | 378,712                         | 521,073                       | 793,965           | (272,892)                     | 152.37%        | 521,073                 | 100,000                     | 0                           | 0                           |
| <b>Total General Fund</b>      | <b>83,341,480</b>                     | <b>468,105</b>                  | <b>83,809,585</b>             | <b>77,278,975</b> | <b>6,530,610</b>              | <b>92.21%</b>  | <b>83,809,585</b>       | <b>88,522,634</b>           | <b>109,897,335</b>          | <b>44,873,256</b>           |
| <b>Housing Revenue Account</b> | <b>32,826,053</b>                     | <b>(16,624,117)</b>             | <b>16,201,936</b>             | <b>15,059,646</b> | <b>1,142,290</b>              | <b>92.95%</b>  | <b>16,201,936</b>       | <b>29,252,974</b>           | <b>9,231,781</b>            | <b>4,000,000</b>            |
| <b>Total Approved Budget</b>   | <b>116,167,533</b>                    | <b>(16,156,012)</b>             | <b>100,011,521</b>            | <b>92,338,621</b> | <b>7,672,900</b>              | <b>92.33%</b>  | <b>100,011,521</b>      | <b>117,775,608</b>          | <b>119,129,116</b>          | <b>48,873,256</b>           |

Shropshire Council - Capital Programme Portfolio Holder Summary Outturn 2023/24

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| Portfolio Holder                                | Revised Budget Quarter 3 2023/24<br>£ | Budget Virements Quarter 4<br>£ | Revised Budget Quarter 4<br>£ | Actual Spend<br>£ | Spend to Budget Variance<br>£ | % Budget Spend | Outturn Projection<br>£ | 2024/25 Revised Budget<br>£ | 2025/26 Revised Budget<br>£ | 2026/27 Revised Budget<br>£ |
|---|---------------------------------------|---------------------------------|-------------------------------|-------------------|-------------------------------|----------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>General Fund</b>                             |                                       |                                 |                               |                   |                               |                |                         |                             |                             |                             |
| Adult Social Care, Public Health & Communities  | 4,551,343                             | 317,752                         | 4,869,095                     | 5,409,839         | -540,744                      | 111.11%        | 4,869,095               | 300,000                     | 0                           | 0                           |
| Growth & Regeneration                           | 6,312,761                             | 884,076                         | 7,196,837                     | 8,519,579         | -1,322,742                    | 118.38%        | 7,196,837               | 12,403,520                  | 6,643,408                   | 0                           |
| Climate Change, Environment & Transport         | 438,156                               | 0                               | 438,156                       | 697,632           | -259,476                      | 159.22%        | 438,156                 | 0                           | 0                           | 0                           |
| Children & Education                            | 8,998,879                             | -1,174,860                      | 7,824,019                     | 6,745,657         | 1,078,362                     | 86.22%         | 7,824,019               | 8,725,290                   | 9,280,231                   | 3,950,000                   |
| Finance & Corporate Resources                   | 0                                     | 0                               | 0                             | 0                 | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| Housing & Assets                                | 50,431,601                            | -18,441,399                     | 31,990,202                    | 26,941,511        | 5,048,691                     | 84.22%         | 31,990,202              | 20,352,884                  | 24,379,873                  | 11,100,000                  |
| Culture & Digital                               | 5,061,570                             | 75,005                          | 5,136,575                     | 5,677,913         | -541,338                      | 110.54%        | 5,136,575               | 8,813,964                   | 3,670,943                   | 2,133,261                   |
| Highways & Infrastructure                       | 7,547,170                             | 18,807,531                      | 26,354,701                    | 23,286,845        | 3,067,856                     | 88.36%         | 26,354,701              | 37,926,976                  | 65,922,880                  | 23,689,995                  |
| Policy & Strategy, Improvement & Communications | 0                                     | 0                               | 0                             | 0                 | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| <b>Total General Fund</b>                       | <b>83,341,480</b>                     | <b>468,105</b>                  | <b>83,809,585</b>             | <b>77,278,975</b> | <b>6,530,610</b>              | <b>92.21%</b>  | <b>83,809,585</b>       | <b>88,522,634</b>           | <b>109,897,335</b>          | <b>40,873,256</b>           |
| <b>Housing Revenue Account</b>                  |                                       |                                 |                               |                   |                               |                |                         |                             |                             |                             |
| Housing & Assets (HRA)                          | 32,826,053                            | -16,624,117                     | 16,201,936                    | 15,059,646        | 1,142,290                     | 92.95%         | 16,201,936              | 29,252,974                  | 9,231,781                   | 4,000,000                   |
| <b>Total Approved Budget</b>                    | <b>116,167,533</b>                    | <b>(16,156,012)</b>             | <b>100,011,521</b>            | <b>92,338,621</b> | <b>7,672,900</b>              | <b>92.33%</b>  | <b>100,011,521</b>      | <b>117,775,608</b>          | <b>119,129,116</b>          | <b>44,873,256</b>           |

Shropshire Council - Capital Programme Budget Outturn Report 2023/24

Appendix 15

| Directorate Service Area                             | Revised Budget 2023/24<br>Quarter 3<br>£ | Budget Virements<br>Quarter 4<br>£ | Revised Budget<br>Quarter 4<br>£ | Actual Spend<br>£ | Spend to Budget Variance<br>£ | % Budget Spend | Outturn Projection<br>£ | 2024/25 Revised Budget<br>£ | 2025/26 Revised Budget<br>£ | 2026/27 Revised Budget<br>£ |
|--|--|------------------------------------|----------------------------------|-------------------|-------------------------------|----------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>General Fund</b>                                  |  |                                    |                                  |                   |                               |                |                         |                             |                             |                             |
| Health & Wellbeing                                   | 0  | 0                                  | 0                                | 0                 | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| Public Health Capital                                | 0  | 0                                  | 0                                | 0                 | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| Regulatory Services Capital                          | 0  | 0                                  | 0                                | 0                 | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| <b>People</b>  | <b>10,555,524</b>                        | <b>(1,174,860)</b>                 | <b>9,380,664</b>                 | <b>6,823,052</b>  | <b>2,557,612</b>              | <b>72.74%</b>  | <b>9,380,664</b>        | <b>9,025,290</b>            | <b>9,280,231</b>            | <b>3,950,000</b>            |
| Adult Social Care Contracts & Provider Capital       | 0  | 0                                  | 0                                | 0                 | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| Adult Social Care Operations Capital                 | 1,556,645                                | 0                                  | 1,556,645                        | 77,395            | 1,479,250                     | 4.97%          | 1,556,645               | 300,000                     | 0                           | 0                           |
| Children's Residential Care Capital                  | 385,075                                  | 0                                  | 385,075                          | 385,649           | (574)                         | 100.15%        | 385,075                 | 300,000                     | 0                           | 0                           |
| Non Maintained Schools Capital                       | 1,495,672                                | 45                                 | 1,495,717                        | 1,496,808         | (1,091)                       | 100.07%        | 1,495,717               | 782,689                     | 2,000,000                   | 0                           |
| Primary School Capital                               | 7,028,906                                | (1,020,934)                        | 6,007,972                        | 4,561,295         | 1,446,677                     | 75.92%         | 6,007,972               | 2,075,996                   | 0                           | 0                           |
| Secondary School Capital                             | 657,111                                  | (29,667)                           | 627,444                          | 247,138           | 380,306                       | 39.39%         | 627,444                 | 27,250                      | 0                           | 0                           |
| Special Schools Capital                              | 55,951                                   | 0                                  | 55,951                           | 54,768            | 1,183                         | 97.89%         | 55,951                  | 0                           | 0                           | 0                           |
| Unallocated School Capital                           | -623,836                                 | (124,304)                          | -748,140                         | 0                 | (748,140)                     | 0.00%          | (748,140)               | 5,539,355                   | 7,280,231                   | 3,950,000                   |
| <b>Place Capital - Commercial Services</b>           | <b>8,821,308</b>                         | <b>(526,583)</b>                   | <b>8,294,725</b>                 | <b>6,322,202</b>  | <b>1,972,523</b>              | <b>76.22%</b>  | <b>8,294,725</b>        | <b>15,844,144</b>           | <b>19,001,000</b>           | <b>6,100,000</b>            |
| Corporate Landlord Capital                           | 8,821,308                                | (526,583)                          | 8,294,725                        | 6,322,202         | 1,972,523                     | 76.22%         | 8,294,725               | 15,844,144                  | 19,001,000                  | 6,100,000                   |
| <b>Place Capital - Economic Growth</b>               | <b>8,415,335</b>                         | <b>330,545</b>                     | <b>8,745,880</b>                 | <b>10,161,983</b> | <b>(1,416,103)</b>            | <b>116.19%</b> | <b>8,745,880</b>        | <b>13,672,892</b>           | <b>8,602,226</b>            | <b>1,500,000</b>            |
| Broadband Capital                                    | 1,611,088                                | (162,045)                          | 1,449,043                        | 1,542,404         | (93,361)                      | 106.44%        | 1,449,043               | 909,632                     | 1,579,945                   | 1,500,000                   |
| Development Management Capital                       | 529,324                                  | (176,046)                          | 353,278                          | 427,746           | (74,468)                      | 121.08%        | 353,278                 | 157,500                     | 40,500                      | 0                           |
| Economic Growth Capital                              | 5,650,343                                | 824,214                            | 6,474,557                        | 7,670,473         | (1,195,916)                   | 118.47%        | 6,474,557               | 12,246,020                  | 6,602,908                   | 0                           |
| Planning Policy Capital                              | 624,580                                  | (155,578)                          | 469,002                          | 521,359           | (52,357)                      | 111.16%        | 469,002                 | 359,740                     | 378,873                     | 0                           |
| <b>Place Capital - Homes &amp; Communities</b>       | <b>3,308,121</b>                         | <b>(141,662)</b>                   | <b>3,166,459</b>                 | <b>3,341,544</b>  | <b>(175,085)</b>              | <b>105.53%</b> | <b>3,166,459</b>        | <b>7,804,332</b>            | <b>2,090,998</b>            | <b>633,261</b>              |
| Leisure Capital                                      | 2,773,508                                | 26,749                             | 2,800,257                        | 3,070,332         | (270,075)                     | 109.64%        | 2,800,257               | 7,269,718                   | 2,067,303                   | 633,261                     |
| Libraries Capital                                    | 118,475                                  | 0                                  | 118,475                          | 77,970            | 40,505                        | 65.81%         | 118,475                 | 94,780                      | 23,695                      | 0                           |
| Outdoor Partnerships Capital                         | 439,038                                  | (168,411)                          | 270,627                          | 185,609           | 85,018                        | 68.58%         | 270,627                 | 439,834                     | 0                           | 0                           |
| Visitor Economy Capital                              | -22,900                                  | 0                                  | -22,900                          | 7,633             | (30,533)                      | -33.33%        | (22,900)                | 0                           | 0                           | 0                           |
| <b>Place Capital - Infrastructure</b>                | <b>40,811,379</b>                        | <b>2,183,414</b>                   | <b>42,994,793</b>                | <b>39,084,702</b> | <b>3,960,091</b>              | <b>90.79%</b>  | <b>42,994,793</b>       | <b>37,926,976</b>           | <b>65,373,880</b>           | <b>25,837,000</b>           |
| Environment & Transport Capital                      | 438,156                                  | 0                                  | 438,156                          | 438,157           | (1)                           | 100.00%        | 438,156                 | 0                           | 0                           | 0                           |
| Highways Capital                                     | 40,373,223                               | 2,183,414                          | 42,556,637                       | 38,596,546        | 3,960,091                     | 90.69%         | 42,556,637              | 37,926,976                  | 65,373,880                  | 25,837,000                  |
| Waste Capital  | 0  | 0                                  | 0                                | 0                 | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| <b>Place Capital - Housing Services</b>              | <b>11,287,452</b>                        | <b>(581,461)</b>                   | <b>10,705,991</b>                | <b>10,801,527</b> | <b>-95,536</b>                | <b>100.89%</b> | <b>10,705,991</b>       | <b>4,149,000</b>            | <b>5,549,000</b>            | <b>6,852,995</b>            |
| Housing Services                                     | 11,287,452                               | (581,461)                          | 10,705,991                       | 10,801,527        | -95,536                       | 100.89%        | 10,705,991              | 4,149,000                   | 5,549,000                   | 6,852,995                   |
| <b>Resources</b>                                     | <b>142,361</b>                           | <b>378,712</b>                     | <b>521,073</b>                   | <b>793,965</b>    | <b>(272,892)</b>              | <b>152.37%</b> | <b>521,073</b>          | <b>100,000</b>              | <b>0</b>                    | <b>0</b>                    |
| ICT Digital Transformation - CRM Capital             | 576                                      | 316,143                            | 316,719                          | 427,112           | (110,393)                     | 134.86%        | 316,719                 | 0                           | 0                           | 0                           |
| ICT Digital Transformation - ERP Capital             | 0  | 0                                  | 0                                | 0                 | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| ICT Digital Transformation - Infrastructure & Archit | 0  | 182,084                            | 182,084                          | 282,082           | (99,998)                      | 154.92%        | 182,084                 | 100,000                     | 0                           | 0                           |
| ICT Digital Transformation - Social Care Capital     | 0  | 22,270                             | 22,270                           | 84,770            | (62,500)                      | 380.65%        | 22,270                  | 0                           | 0                           | 0                           |
| ICT Digital Transformation - Unallocated Capital     | 141,785                                  | (141,785)                          | 0                                | 0                 | 0                             | 0.00%          | 0                       | 0                           | 0                           | 0                           |
| <b>Total General Fund</b>                            | <b>83,341,480</b>                        | <b>468,105</b>                     | <b>83,809,585</b>                | <b>77,278,975</b> | <b>6,530,610</b>              | <b>92.21%</b>  | <b>83,809,585</b>       | <b>88,522,634</b>           | <b>109,897,335</b>          | <b>44,873,256</b>           |
| <b>Housing Revenue Account</b>                       | <b>32,826,053</b>                        | <b>(16,624,117)</b>                | <b>16,201,936</b>                | <b>15,059,646</b> | <b>1,142,290</b>              | <b>92.95%</b>  | <b>16,201,936</b>       | <b>29,252,974</b>           | <b>9,231,781</b>            | <b>4,000,000</b>            |
| HRA Dwellings Capital                                | 32,826,053                               | (16,624,117)                       | 16,201,936                       | 15,059,646        | 1,142,290                     | 92.95%         | 16,201,936              | 29,252,974                  | 9,231,781                   | 4,000,000                   |
| <b>Total Approved Budget</b>                         | <b>116,167,533</b>                       | <b>(16,156,012)</b>                | <b>100,011,521</b>               | <b>92,338,621</b> | <b>7,672,900</b>              | <b>92.33%</b>  | <b>100,011,521</b>      | <b>117,775,608</b>          | <b>119,129,116</b>          | <b>48,873,256</b>           |

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## Committee and Date

Transformation & Improvement Scrutiny  
3<sup>rd</sup> June 2024

Cabinet  
5<sup>th</sup> June 2024

Item

Public



## Financial Monitoring Period 1

|   |  |      |              |
|---|--|------|--------------|
| <b>Responsible Officer:</b>               | James Walton   |      |              |
| email:                                    | <a href="mailto:james.walton@shropshire.gov.uk">james.walton@shropshire.gov.uk</a> | Tel: | 01743 258915 |
| <b>Cabinet Member (Portfolio Holder):</b> | Cllr Gwilym Butler, Finance, Corporate Resources and Communities                   |      |              |

### 1. Synopsis

The Council has, for the first time, published a finance report for Period 1. This exceptionally early insight provides Cabinet with assurance that actions are being taken and demonstrates effective systems are in place, reflected in this relatively positive start to the year.

### 2. Executive Summary

- 2.1. The Council, in line with other local authorities, has never produced a Financial Monitoring Report as early as Period 1 before. The reasons for this are entirely practical but given the exceptional financial position Shropshire Council is managing this year, early insight into the year ahead is essential.
- 2.2. The practicalities of producing a meaningful monitoring report from data up to 30 April require a risk assessed approach to be taken with a focus on high level, material, and impactful financial information. Management action over periods 1 and 2 is listed below, ahead of a detailed quarter 1 (period 3) report being produced in the familiar format.
- 2.3. The Period 1 Monitor cannot, of course, provide certainty. Its fundamental aim is to provide an early insight into whether the unprecedented actions being undertaken

by the Council this year have the potential to secure financial survival, initially, and then a path to financial sustainability.

2.4. The key financial issues highlighted by this report are:

- a) Projected savings delivery is currently estimated at £9.668m (15.47%) with a further £38.419m (61.49%) having at least indicative plans in place. **Combined, this is already a potential level of delivery of £48.087m (76.9%) against the savings target of £62.480m.** This is undoubtedly a good start but still leaves a gap in excess of £14m, which is not sustainable.
- b) **A forecast spend variance over budget of £29.006m.** While this forecast triangulates accurately with the developing position for savings delivery and reflects the best information currently available, spending beyond budget to this extent is not a sustainable position. The overall position must be to manage to within (or close to) available budget in all areas. Substantial growth was confirmed by Council to address the pressures identified 2023/24, which will help a balanced position to be achieved.
- c) **An initial General Fund Balance of £38.821m** as a result of combining the brought forward balance of £8.237m with the budgeted contribution to balances of £30.584m. **The forecast spend variance of £29.006m results in a general fund balance at the end of the year of £9.815m.** Again, while representing progress against the balances seen in 2023 and in 2024, use of reserves at that level is not a sustainable outcome. Several substantial risks will continue to be faced during the coming year, and the available £38m must be protected to mitigate those risks rather than offsetting under-delivery of agreed savings.

2.5. Leadership actions

|  |   |
|--|---|
| <p>Actions undertaken through period 1 (April)</p> | <p>Engagement with Directorate Leadership Teams (DLTs) to ensure visibility and consistency of all financial information and analysis tools as the new year gets under way.</p> <p>Setting up necessary financial management and monitoring tools for the 2024/25 financial year, including</p> <ul style="list-style-type: none"> <li>- Dashboard made available to relevant officers to present the latest budget data as a 'single version of the truth' through which financial performance can be understood</li> <li>- Reconciliation of budget dashboard data back to the budget book approved by council to ensure complete alignment and accuracy</li> <li>- Setting out position statements including growth and savings allocations for all substantive service blocks, also reconciled to the budget dashboard and signed off by managers</li> <li>- Dashboard for all savings made available to relevant officers in order to be able to analyse and review savings delivery in a variety of different ways</li> <li>- Savings tracking being set up for all savings lines to capture expected financial delivery profiles, including narrative on progress, issues, and variances.</li> <li>- Oversight by Senior Managers, all having access to the entire dashboard.</li> </ul> |
|--|---|

|   |   |
|---|---|
|   | <p>Delivering briefings to all relevant officers on the current overall position and how the dashboards described above relate to monthly financial management cycles and reporting.</p> <p>Confirmation of the financial outturn for 2023/24 and any resulting impacts to be considered in delivery of 2024/25 financial objectives.</p> <p>Production and timely publication of Period 1 Report to Cabinet including:</p> <ul style="list-style-type: none"> <li>• Review of savings delivery line by line in MTFS</li> <li>• Projected outturn by high level service area</li> <li>• Summarised projected outturn by Directorate</li> <li>• Identification of overall projected outturn for the Council, considered to be the 'floor'</li> <li>• Impact on General Fund Balance identified to establish financial survival.</li> </ul>   |
| <p>Actions to be delivered through period 2 (May)</p> | <p>DLTs to lead ongoing and enhanced updates to the savings delivery information (which is then automatically uploaded to the savings dashboard).</p> <p>DLTs to lead identification of service areas needing further review and any mitigating actions necessary arising from the budget dashboard as at period The objective is the achievement of budget delivery plans with minimal (less than £5m) net variance to budget.</p> <p>Progression of necessary decisions via Cabinet is planned to support delivery of savings targets through the year.</p> <p>Completion of early work to set out the expectation of the 'resizing' work across the Council with production and confirmation of estimates to follow approval by Cabinet to implement a new Target Operating Model. Initial work focusses on the Voluntary Redundancy programme, review of agency spend and appropriate removal of vacancies.</p> <p>Production and publication of Period 2 Report to Cabinet including (as period 1 above plus):</p> <ul style="list-style-type: none"> <li>• Automated publication of savings delivery line by line in MTFS directly from the dashboard</li> <li>• More detailed review of the overall projected outturn for the Council to produce a revised 'floor' and 'ceiling', thereby creating a 'control corridor' for further reporting ahead of the detailed quarter 1 report.</li> </ul> |

### 3. Recommendations

It is recommended that Cabinet Members:

- 3.1. Note that the position set out in the report reflects the best information available after the first 4 weeks of the year (with c90% of the year remaining), and hence considerable uncertainty in these early estimates which will be taken forward as a 'floor' position. P2 will be expected to help set out a 'ceiling' position, resulting in a 'control corridor' which can be considered in future reports.
- 3.2. Note that at the end of Period 1 (30th April 2024), the indicative level of savings delivery is £47.907m (77%), resulting in a projected spend over budget of £29.006m for 2024/25.
- 3.3. Note the projected General Fund Balance of £9.815m for 31 March 2025 if the projected spend over budget is realised.

## Report

### 4. Risk Assessment and Opportunities Appraisal

- 4.1. A more regular review of the emerging financial position for the year is an essential part of the risk management approach of the council during the coming year.
- 4.2. The level of savings delivery and financial pressures in the current year are a recognised risk for the 2024/25 budget, and continued focus and action are being put in place to address this.
- 4.3. Risk table

| <i>Risk</i>  | <i>Mitigation</i>  |
|--|--|
| That management actions required to bring the budget into balance do not yield the results being targeted, leading to a larger pressure on the general fund balance. | To further enhance reporting and action planning on financial performance through Directorate Management and Chief Officer teams.  |
| Insufficient reserves to cover projected overspending or other deficits  | Improved budget preparation process with more analysis of current and future activity trends. Modelling of current and future reserves levels, including both earmarked and unearmarked, against likely levels of pressure and impact on securing the desirable level of unearmarked (general) reserves. Review of ways in which further funds can be brought into unallocated general fund balances and reserves to support balance sheet repair and reserves improvement with the aim to retain a General Fund Balance within the range of £15m to £30m. |

## 5. Financial Implications

- 5.1. This report sets out the first financial projections for the Council in the 2024/25 Financial Year. A summary of the key elements for managing the Council's budget are detailed elsewhere in this report.

## 6. Climate Change Appraisal

- 6.1. The Council's Financial Strategy supports its strategies for Climate Change and Carbon Reduction in several ways. A specific climate change revenue budget is held. The climate change schemes involving the Council's assets or infrastructure are included within the capital programme. These two areas of expenditure are anticipated to have a positive contribution towards climate change outcomes.
- 6.2. Securing a robust and sustainable financial base will help the Council meet the challenges of climate change – this is not separate to our budget management, but integral to it, as set out in the objectives of The Shropshire Plan and our aim to secure a Healthy Environment.

## 7. Forecast Outturn and Implied General Fund Balance

- 7.1. The Council, in line with other local authorities, has never produced a Period 1 Financial Monitoring Report before This is mainly for practical reasons – there is only one month of data, that small amount of data is impacted by carry forwards and brought forwards from the previous financial year that are being worked on over the April and May period, and the Finance Team are focussed on closing down the previous year, providing little time to produce projections for the remaining eleven months of the new financial year.
- 7.2. At Period 1 (April1 – April 30), the Council is initially reporting a forecast overspend by year end of £29.006m.
- 7.3. Table 1 below summarises the position by directorate (see also Appendix 1), including latest projections on funding.

**Table 1: Projected Outturn by Directorate**

| Directorate                     | Revised Budget (£'000) | Projected Outturn (£'000) | (Under)/Overspend (£'000) | RAGY Classification |
|---------------------------------|------------------------|---------------------------|---------------------------|---------------------|
| Health & Wellbeing              | 1,055                  | 1,201                     | 145                       | R                   |
| People                          | 220,312                | 227,724                   | 7,413                     | R                   |
| Place                           | 72,343                 | 84,494                    | 12,151                    | R                   |
| Resources                       | 4,740                  | 7,948                     | 3,207                     | R                   |
| Strategic Management Board      | 281                    | (29)                      | (310)                     | Y                   |
| <b>Service Delivery Budgets</b> | <b>298,731</b>         | <b>321,338</b>            | <b>22,607</b>             |                     |
| Corporate                       | (37,034)               | (30,635)                  | 6,399                     | R                   |
| <b>Net Expenditure</b>          | <b>261,697</b>         | <b>290,703</b>            | <b>29,006</b>             |                     |
| <b>Funded By:</b>               |                        |                           |                           |                     |
| Council Tax                     | (205,104)              | (205,104)                 | 0                         | G                   |
| Business Rates                  | (41,306)               | (41,306)                  | 0                         | G                   |
| Top Up Grant                    | (10,925)               | (10,925)                  | 0                         | G                   |

| Directorate                       | Revised Budget (£'000) | Projected Outturn (£'000) | (Under)/Overspend (£'000) | RAGY Classification |
|-----------------------------------|------------------------|---------------------------|---------------------------|---------------------|
| Revenue Support Grant             | (7,974)                | (7,974)                   | 0                         | G                   |
| Collection Fund (Surplus)/Deficit | 3,612                  | 3,612                     | 0                         | G                   |
| <b>Funding</b>                    | <b>(261,697)</b>       | <b>(261,697)</b>          | <b>0</b>                  |                     |
| <b>Total</b>                      | <b>0</b>               | <b>29,006</b>             | <b>29,006</b>             |                     |

- 8.3 The key area of concern at this early stage of the financial year is the level of savings delivery projected. Further details on the projected level of savings delivery is detailed in section 9 below.
- 8.4 The 2024/25 budget includes a £30.584m contribution to the General Fund Balance. Table 2 details the projected General Fund Balance following this budgeted contribution, but also includes the impact on the Balance should the spend over budget of £29.006m materialise.

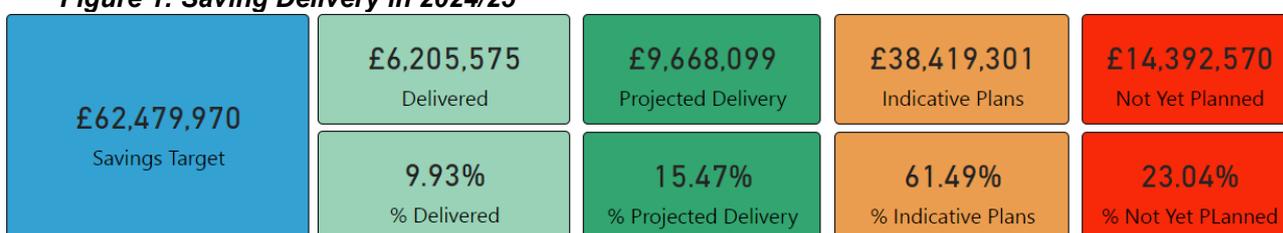
**Table 2: General Fund Projection**

| General Fund Balance   | £'000        |
|--|--------------|
| Balance Brought Forward 1 April 2024                         | 8,237        |
| Budgeted Contribution 2024/25                                | 30,584       |
| 2024/25 estimated spending above budget (as projected at P1) | (29,006)     |
| <b>Balance as at 31 March 2025</b>                           | <b>9,815</b> |

## 8. Savings Delivery

- 8.1. The current summary position on savings delivery is shown in Figure 1 below (note the 'delivered' values are included within, and not additional to, the 'Projected Delivery' values).

**Figure 1: Saving Delivery in 2024/25**



## 9. Capital Receipts Delivery

- 9.1. The Council generally uses capital receipts to help the capital programme, however the Council is also planning to utilise capital receipts to help fund transformation costs and any costs of restructuring services during the course of 2024/25.
- 9.2. The anticipated level of capital receipts required for 2024/25 is circa £30m. Current estimates show projected receipts of £27m, however it should be noted that £7.6m of this projection has been RAG rated Red at this time. Therefore, it is important that delivery of capital receipts is carefully planned.

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

Financial Strategy 2024/25 – 2028/29, Council 21<sup>st</sup> March 2024

Financial Rules

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**Local Member:** All

**Appendices**

Appendix 1 – 2024/25 Projected Revenue Outturn by Service

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## APPENDIX 1

## 2024/25 PROJECTED REVENUE OUTTURN BY SERVICE

| Directorate/<br>Service                          | Budget<br>(£'000) | Forecast<br>Outturn at<br>Period 1 | Forecast<br>Variance at<br>Period 1 | Outline of Variation to Budget   |
|--|-------------------|------------------------------------|-------------------------------------|--|
| <b>People</b>                                    |                   |                                    |                                     |  |
| Adult Social Care                                | 131,587           | 136,370                            | 4,783                               | Plans are in development for savings of £4.533m, linked to the development of the Council's new Target Operating Model (TOM). A £0.249m pressure relating to transport costs will be reviewed as part of period 2 monitoring and an updated included in that report.   |
| Children's Social<br>Care and<br>Safeguarding    | 63,321            | 68,158                             | 4,836                               | The variance is driven by £1.932m projected spend over budget on Fostering (the majority relating to external fostering (£1.802m), and £1.448m staffing costs overspend, where vacant posts are filled using (more costly) agency staff. Other pressures include £0.795m overspend on External Residential Placements and £0.320m in the Disabled Children's Team. |
| Early Help,<br>Partnerships and<br>Commissioning | 3,288             | 3,388                              | 100                                 | Largely on budget overall, but with some underlying variances.   |
| Learning and Skills                              | 23,377            | 25,211                             | 1,834                               | Projected spend over budget largely due to £1.742m Home to School Transport, specifically SEND-related transport.  |
| People Directorate<br>Management                 | (1,261)           | (5,402)                            | (4,141)                             | Overachievement of the budget is due to several savings lines being current attributed to this area prior to reallocation against savings included in budgets elsewhere in the directorate.  |
| <b>People Total</b>                              | <b>220,312</b>    | <b>227,724</b>                     | <b>7,413</b>                        | <b>3.3%</b>  |
| <b>Place</b>                                     |                   |                                    |                                     |  |
| Commercial<br>Services                           | 35,774            | 40,663                             | 4,891                               | Savings plans in development for £4.088m; delivery plans are also in development.  |
| Economy and<br>Place                             | 5,835             | 7,236                              | 1,401                               | Savings plans in development for £0.317m relating to the TOM. Current performance on income from Planning Applications is lower than anticipated (£0.432m pressure). Other savings lines also in development.  |
| Highways and<br>Transport                        | 15,263            | 20,752                             | 5,490                               | Plans in development for savings of £1.578m. Winter maintenance release from reserve applied, but less available than anticipated (£1.2m pressure), recharge to capital for Place (budget £1.500m) to be confirmed. Kier Contract savings target £2.000m, currently forecasting £0.400m achievable, pressure £1.6m.  |
| Homes and<br>Communities                         | 14,935            | 16,024                             | 1,089                               | Plans in development for savings of £1.235m.   |
| Place Directorate<br>Management                  | 520               | (199)                              | (719)                               | Savings targets showing as overachieved by £0.719m here, to be allocated wider across the directorate at Period 2.   |
| <b>Place Total</b>                               | <b>72,343</b>     | <b>84,494</b>                      | <b>12,151</b>                       |  |
| <b>Resources</b>                                 |                   |                                    |                                     |  |
| Workforce and<br>Improvement                     | 78                | 435                                | 358                                 | Plans are in development for savings of £0.599m. This cost pressure is currently offset by in-year vacancy management savings (£0.101m) across Workforce & Improvement.  |
| Finance and<br>Technology                        | 3,270             | 4,216                              | 946                                 | Plans are in development for savings of £0.953m alongside service-related savings of £0.454m. Some savings are contingent on a wider decision over how Temporary Accommodation provision is arranged in the future. There are also vacancy management savings across Finance and ICT that are reducing the projected overspend by £0.461m                          |
| Legal and<br>Governance                          | 669               | 723                                | 54                                  | Plans are in development for savings of £0.121m alongside service-related savings of £0.156m. One off savings of have been identified from vacancy management (£0.223m). Considerable pressure continues in the childcare legal team relating to care proceedings.   |
| Pensions   | 177               | 177                                | 0                                   | No variance to budget at Period 1.   |
| Resources<br>Directorate<br>Management           | 10                | 1,535                              | 1,525                               | Plans are in development for savings of £1.236m, as well as £0.289m of in year pressures which will be reviewed in P2.   |
| <b>Resources Total</b>                           | <b>4,204</b>      | <b>7,087</b>                       | <b>2,883</b>                        |  |
| <b>Health &amp; Wellbeing</b>                    |                   |                                    |                                     |  |
| Public Health                                    | 417               | 417                                | 0                                   | No variance to budget at Period 1.   |
| Regulatory<br>Services                           | 639               | 784                                | 145                                 | Plans are in development for savings of £0.144m.   |
| <b>Health &amp; Wellbeing<br/>Total</b>          | <b>1,055</b>      | <b>1,201</b>                       | <b>145</b>                          |  |
| <b>Strategic Management Board</b>                |                   |                                    |                                     |  |

| Directorate/<br>Service                         | Budget<br>(£'000) | Forecast<br>Outturn at<br>Period 1 | Forecast<br>Variance at<br>Period 1 | Outline of Variation to Budget  |
|---|-------------------|------------------------------------|-------------------------------------|---|
| Chief Executive<br>and PAs                      | 21                | (117)                              | (139)                               | One off savings of £0.122m have been identified from vacancy management to be incorporated within longer term savings plans.  |
| Programme<br>Management                         | 260               | 89                                 | (172)                               | Net underspending forecast at present.  |
| Communications<br>and Engagement                | 536               | 861                                | 325                                 | Plans are in development for savings of £0.664m, currently offset by one off savings of £0.339m which have been identified from holding vacancies.  |
| <b>Strategic<br/>Management Board<br/>Total</b> | <b>817</b>        | <b>832</b>                         | <b>15</b>                           |   |
| <b>Corporate</b>                                |                   |                                    |                                     |   |
| Corporate Budgets                               | (37,034)          | (30,635)                           | 6,399                               | Plans are in development for savings of £4.250m. Options on how these can be delivered moving forwards are being investigated. Additional savings held in corporate budgets pending allocation to specific areas (£3.000m). |
| <b>Corporate Total</b>                          | <b>(37,034)</b>   | <b>(30,635)</b>                    | <b>6,399</b>                        |   |
| <b>Total Net<br/>Expenditure</b>                | <b>261,697</b>    | <b>290,703</b>                     | <b>29,006</b>                       |   |

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