



Date: Tuesday, 11 February 2025

Time: 10.00 am

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

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TRANSFORMATION AND IMPROVEMENT OVERVIEW AND SCRUTINY COMMITTEE

TO FOLLOW REPORT (S)

6 Financial Monitoring Report Quarter 3 (Pages 1 - 50)

To scrutinise financial performance at Quarter 3 and identify issues that may require further investigation by an overview and scrutiny committee.

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Committee and Date

Transformation &
Improvement Scrutiny
11th February 2025

Cabinet
12th February 2025

Item

Public



Financial Monitoring Quarter 3 2024/25

Responsible Officer:	James Walton
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Cabinet Member (Portfolio Holder):	Cllr Gwilym Butler, Finance & Corporate Support

1. Synopsis

The overall financial position of the Council remains consistent with previous reporting, deteriorating or improving within a low range. Work continues to manage the position through to the end of the year and mitigate risks over the remaining months.

2. Executive Summary

- 2.1. This report provides a detailed review of the Council's financial position as at the 31 December 2024. The projected overspend is £35.561m. This is the third quarterly report of the year and includes more information than the monthly reports.
- 2.2. This year Cabinet has received formal reports each month, rather than each quarter, on the Council's financial position. Furthermore, officers have sought to publish monthly reports at the first available cabinet following period end through increased use of automation in the process. This approach has been essential in improving the transparency of, and accountability for, our financial position.
- 2.3. This report sets out a financial projection across all areas of council activity which remains narrowly within the available resources. The Council has very little flexibility should unanticipated events arise which put additional financial pressure

on the council. These potential events are described in Table 3 and are currently anticipated to have no financial impact this year.

- 2.4. The forecast set out in this report is for a central projection (“most likely”) of £35.56m spend over budget, in a range of £30.56m-£58.46m. The ‘most likely’ central projection is based on the position from which least variance is anticipated. The favourable scenario assumes potential likely improvements to the position; the adverse position assumes potential likely deteriorations. This is set out in detail in the report.

	£m
‘adverse’ projection	£58.46m
Central projection (‘most likely’)	£35.56m
‘favourable’ projection	£30.56m

3. Recommendations

- 3.1. It is recommended that:
- A. Cabinet Members continue to work closely with the Chief Executive and senior officers to urgently take the necessary actions to improve further the Quarter 3 forecast of a projected spend over budget of £35.561m.
 - B. Cabinet Members discuss the impact of the projected expenditure forecast on the General Fund Balance and note the risk of further service pressures (savings required) in next year if financial performance in the current year is not improved.
 - C. Cabinet Members note the projected deficit on the Dedicated Schools Grant and the approach to reviewing this.

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. 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.

- 4.2. Risk table

<i>Risk</i>	<i>Mitigation</i>
Savings delivery is below the targeted level; mitigations to unachieved savings are not secured at reasonable levels.	Savings delivery is divided into two main areas of activity –service-led activity or organisational-wide initiatives – each with different approaches.

<i>Risk</i>	<i>Mitigation</i>
Savings of £62.5m were agreed for the 2024/25 budget. Another area of cost reduction or avoidance includes demand management activity in social care, targeting £6.7m, and confirmation of savings secured in 2023/24 but only one-off (pending decisions taken through a wider workforce review).	<p>Organisational savings are subject to support from the Council's strategic partner (PwC) with further, deeper, initiatives proposed to mitigate shortfalls.</p> <p>Some areas of savings proposed by service leads have not yet been wholly achieved (or mitigated). Action should be taken in these areas to secure the savings as planned, or to mitigate unachieved savings through other measures.</p>
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.	<p>To deepen engagement and action planning through Directorate Management and Chief Officer teams.</p> <p>This includes visibility and closer scrutiny of all spending decisions in both pay and non-pay areas.</p>
Insufficient reserves to cover projected overspending or other deficits	<p>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.</p> <p>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.</p> <p>If available reserves are less than the projected deficit (overspend), this indicates that a 's114 notice' should be issued (signalling "effective bankruptcy").</p> <p>It should be noted that this is not, in itself, a mitigation, as the actions required to address "effective bankruptcy" are the same as those required to balance the budget under normal circumstances. "Effective bankruptcy" does not bring additional government resource with it but could attract significant publicity while action to fully correct the position was undertaken. During that time, it would be likely that many residents, staff, and suppliers would be highly concerned.</p>
That targeted savings from Re-sizing work are not realised in full	<p>Dedicated resources are being applied to ensuring that the decisions arising from the Resizing work are enacted in a timely way.</p> <p>All ongoing staffing decisions are being discussed weekly by Directorate Leadership Teams, aligned to decisions taken around resizing. Work to remove</p>

<i>Risk</i>	<i>Mitigation</i>
	funded vacant posts is progressing rapidly, and further options to reduce the workforce have been considered with opportunities being identified. The report includes reference to some of these, but the list is limited as there are important processes which must be observed to protect and support the staff who may be affected.
That targeted benefits from reducing supply chain spending are not realised in full	<p>Dedicated resources are being applied to ensuring that identified opportunities to reduce supply chain spending is checked and challenged.</p> <p>All spending decisions have been discussed weekly by Directorate Leadership Teams from September.</p> <p>It should also be noted that considerable work has already been completed in the year so far, addressing third party spending through other savings proposals.</p>
Other unbudgeted risks arise before the end of the financial year	The General Fund balance is reviewed as part of setting the budget each year and compared with known areas of local risks (such as the pay settlement for staff, supply chain inflation, resident need for different services). The assessment at the start of the year indicated that the balance at 1 April would be sufficient to cover a range of risks. The current forecast indicates that additional currently unknown risks may create additional pressure which could not be sustained, The action on reducing third party spending will create additional resilience by ensuring that there is sufficient 'headroom' in the Council's finances to absorb unanticipated shocks.

4.3. The Council continues to review 7 key risks around financial pressures, as set out in previous reports. These summarise key areas which could substantially change the overall position of the Council. Table 3 (below) summarises the nature of each risk and the P9 (Q3) view on the position for each, as well as how those might change, both favourably and unfavourably.

Table 3 - analysis of the 3 forecast scenarios with commentary

factor	MTFS assumption	P9 Fav	Central	Adv
1. Savings delivery	Budget and MTFS assume 100% delivery of all savings each year on a recurrent basis. Target for 2024/25 is £62.5m, plus £6.7m demand mgt, plus £20.7m found in 23/24 but only on a one-off basis - these are different amounts arising separately, but aggregate to £90m.	37.307 assumes £2m improvement in savings delivery by year end, including additional benefits from supplier engagement	39.307 tracker reds @ 31 Oct now include the estimated PYE benefits of resizing.	40.307 Assumes £1m deterioration arising from uncertain resizing benefits.
2. Social care demand pressure beyond budget estimates	Demand reduction measures assumed to support delivery within budget. Excess demand beyond that will impact overall financial performance.	6.255 Assumes £1m improvement in the forecast costs for Children's before year end.	7.255 £6.3m activity pressure forecast in Children's Social Care; £0.9m pressure in Adults operational activity.	9.255 Assumes additional £2m pressure arising through winter social care and other pressures.
3. Other unbudgeted pressures	The budget assumes all material considerations are included in the estimates. Other pressures outside those estimates are not included, hence the provision of a general fund balance (although other Councils include a revenue contingency budget).	-13 Assumes further £2m improvement in income.	-11 Base budget is not seeing pressures outside of social care. Income budgets are over-achieved in a number of areas. The value included is the over-achievement of income in areas including Client Contributions to social care and government grants for Home to School Transport.	-9 Assumes £2m deterioration in incom.
4. Capital receipts sufficiency	Capital receipts are generated at a level that, when added to 'in-hand' and 'de-committed' amounts, will cover VR costs plus transformation costs (capitalised). Gap at year start identified as £33m.	Assumes all projected capital receipts are secured by 31 March.	Assumes all projected capital receipts are secured by 31 March. Review of capital receipts including those earmarked for this year's capital programme, and transformation costs anticipated have reduced estimated value still to be secured. Significant additional receipts from alternative approaches are no longer anticipated in the year.	17.9 Current Target for capital receipts is £26.9m. Known receipts expected before 31 March currently £9m. Potential shortfall of £17.9m,
5. External factors	A number of factors are known to be able to impact the financial position indirectly, but the timing or likelihood of these is unknown at the time of setting the budget. The GFB level is set on the basis of being a fund of last resort in the face of such pressures.	Assume no in-year costs arising from regulator reports.	Assume no in-year costs arising from regulator reports.	Assume no in-year costs arising from regulator reports.
6. Project risks	No direct or indirect implications are assumed in the budget. Possible risks include the withdrawal of funding for major capital projects which may lead to revenue pressure as 'sunk' costs are written off.	No indications of any unidentified additional in-year costs likely to arise before March.	No indications of any unidentified additional in-year costs likely to arise before March.	No indications of any unidentified additional in-year costs likely to arise before March.
7. Cash position (Liquidity)	The MTFS assumes that day-to-day liquidity is planned for an maintained. Failure to do this, or a rapid deterioration in the council's financial position may lead to unbudgeted finance costs, and reputational damage as staff and supplier payments are placed in jeopardy.	Detailed day-to-day cash forecasting place. Link engaged and advising on externalisation of previous internal borrowing. Clear management with £20--£30m cash buffer.	Detailed day-to-day cash forecasting place. Link engaged and advising on externalisation of previous internal borrowing. Clear management with £20--£30m cash buffer.	Detailed day-to-day cash forecasting place. Link engaged and advising on externalisation of previous internal borrowing. Clear management with £20--£30m cash buffer.
		30.56	35.56	58.46

5. Financial Implications

- 5.1. Shropshire Council is currently managing an unprecedented financial position as budgeted for within the Medium Term Financial Strategy approved by Council on 29 February 2024 and detailed in our monitoring position presented to Cabinet on a monthly basis. This demonstrates that significant management action is required over the remainder of the financial year to ensure the Council's financial survival. While all Cabinet Reports provide the financial implications of decisions being taken, this may change as officers review the overall financial situation and make decisions aligned to financial survivability. Where non-essential spend is identified within the Council, this will be reduced. This may involve
- scaling down initiatives,
 - changing the scope,
 - delaying implementation, or
 - extending delivery timescales.
- 5.2. This report sets out the financial projections for the Council in the 2024/25 Financial Year as at Quarter 3. 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. Background

- 7.1. Given that the financial position of the council remains highly challenging, budget monitoring reports highlighting the anticipated year end projection are produced monthly for Cabinet, with detailed updates reported quarterly to Cabinet.
- 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.
- 7.3. Council approved the Financial Strategy 2024/25 – 2028/29 on 29 February 2024 which outlined the revenue and capital budget for 2024/25.

8. Forecast Revenue Outturn Position as at Quarter 3

- 8.1. At Quarter 3 (April 1 – December 31), the Council is reporting a forecast overspend of £35.561m. This forecast is based on the current projections for savings delivery. Savings delivery in the year is characterised by significant progress on ‘service-led’ savings but with only limited progress on ‘organisation-wide’ savings (see table 4). It is clear that the process implemented for delivery of organisation wide or transformational savings plans over-estimated the speed with which transformation would lead to cashable savings. This is a key area of work in preparing budget plans for the coming year.
- 8.2. The position indicated by the current estimated spending to the end of the year would require the majority of the General Fund Balance to be applied to maintain balance between income and expenditure within the year. This would be a dangerous position if it arose. Urgent intervention is required through all portfolio areas to secure improvements in the position – seeking out and correcting all areas where planned expenditure can be reduced, removed, or deferred. Put simply, the current anticipated level of expenditure needs to be significantly reduced.
- 8.3. Table 4a below summarises the net budget position by directorate (see also Appendix 1A and 1B), including latest projections on funding. A breakdown of the projected outturn by portfolio holder is detailed in Appendix 1C.

Table 4a - Projected Outturn by Directorate

Directorate	Revised Budget (£'000)	Projected Outturn (£'000)	(Under)/Overspend (£'000)	Of which, savings not yet delivered (£'000)
People	214,767	232,112	17,345	(211)
Place	51,168	65,656	14,488	9,002
Resources	3,782	7,719	3,937	2,009
Health & Wellbeing	5,962	5,555	(407)	0
Strategic Management Board	358	868	510	1,856
Service Delivery Budgets	276,037	311,910	35,873	12,656
Corporate	(14,340)	(14,652)	(312)	
<i>Organisation wide savings</i>				26,651
Net Expenditure	261,697	297,258	35,561	39,307
Council Tax	(205,104)	(205,104)	0	
Business Rates	(41,306)	(41,306)	0	
Top Up Grant	(10,925)	(10,925)	0	
Revenue Support Grant	(7,974)	(7,974)	0	
Collection Fund (Surplus)/Deficit	3,612	3,612	0	
Funding	(261,697)	(261,697)	0	
Total	0	35,561	35,561	

- 8.4. The majority of the current forecast overspend can be summarised as:
- Service spending over budget of £35.561m, as:
 - Savings not yet delivered of £39.307m as detailed in section 11 below.
 - Pressure of £6.771m in relation to external residential, external foster placements and agency social workers in Children’s Social Care.

- Pressure of £3.284m relating to Home to School Transport linked to increased demand for services and inflationary costs.
- Mitigating factors to the above including one-off savings identified in relation to additional income generation, in-year vacancy management and reduction in supplies and services spend (£17.596m).

8.5. The variance to budget set out in table 4a can be analysed in terms of key causes, including underachievement of savings or other budget pressures, offset by any in-year mitigations that have arisen. This is shown in table 4b and detailed by service area in appendix 4. This shows that the overall variance of £35.561m is made up of:

- Overall pressures of £65.601m made up of
 - overall savings under-delivery of £35.950m
 - other service pressures of £29.651m,
- Overall mitigations of £30.040m of mitigations including additional fee income or grants received, or budgets where spending has been reduced (e.g. through holding vacancies).

Table 4b - Projected variance analysed across key causes

Directorate	Under/ Overspend (£'000)	service-led savings pressures (£'000)	organisation- wide savings pressures (£'000)	all savings savings (£000s)	other budget pressures (£000s)	mitigations (additional income, grants etc) £000s
People	17,345	-211	9,295	9,084	17,049	-8,788
Place	14,488	9,002	1,732	10,734	6,637	-2,884
Resources	3,937	2,009	2,911	4,920	1,832	-2,813
Health & Wellbeing	-407	0	-148	-148	3,206	-3,465
Strategic Management Board	510	1,856	-374	1,482	645	-1,618
Service Delivery Budgets	35,873	12,656	13,416	26,072	29,369	-19,568
Corporate	-312	0	9,878	9,878	282	-10,472
Net Expenditure	35,561	12,656	23,294	35,950	29,651	-30,040
				65,601		

8.6. The analysis in Tables 4a and 4b considers the forecast position by service area. Table 4c sets out the same position analysed by type of spending or income. This shows how the net budget of £261.297m shown in Table 4 is made up of £689.288m of expenditure offset by £427.591m of income. It shows that the current forecast includes overspending of £60.7m on expenditure budgets offset by £25.1m of additional income, resulting in an overall £35.6m of forecast overspending.

- Estimated overspending on Third Party Spending of £26.479m (Costs relating to adult social care contracts have been fully compensated by additional income including care contributions and CHC income).
- Supplies and Services overspending of £23.5m (largely due to non-pay savings unachieved).

- Staff pay costs are forecast to remain within budgeted costs as vacant posts are offset through agency costs.
- Income overachieved for Government Grants to the value of £10.5m, including
 - +£1.95m DfT (Bus service improvement plan - BSIP+),
 - +£1.61m Shared Prosperity Funding
 - +£1.49m DSG allocations
 - +£0.71m funding for Unaccompanied Asylum Seeking Children ('UASC')
 - +£0.71m Household Support Fund
 - +£0.56m Substance Misuse Treatment and Recovery
- £9.8m of other grants secured beyond those estimated, including +£7.0m of contributions. Some of this income is expected to be ongoing into future years, but it is unlikely that growth at this level would continue to be achieved.
- Recharged income has exceeded estimates in some areas, notably where DSG funding can be used to fund general revenue costs arising from schools (such as for excluded pupils).

Table 4c - Projected Outturn by type of spend

	Budget (£000s)	Budget %	Forecast (£000s)	Variance (£000s)
Expenditure	689,288	100%	749,992	60,704
Third Party Payments	239,024	35%	265,503	26,479
Employees	148,778	22%	150,327	1,549
Transfer Payments	106,164	15%	104,507	(1,657)
Supplies & Services	73,835	11%	97,395	23,560
Expenditure - Below the Line	39,632	6%	44,007	4,375
Support Services	27,338	4%	27,150	(188)
Premises-Related Expenditure	22,724	3%	23,648	924
Transport-Related Expenditure	20,276	3%	25,882	5,606
Capital Financing Costs	11,517	2%	11,572	55
Income	(427,591)	100%	(452,733)	(25,142)
Government Grants	(233,819)	55%	(244,278)	(10,459)
Customer and Client Receipts	(98,318)	23%	(98,899)	(581)
Recharges	(55,073)	13%	(59,615)	(4,543)
Other Grants/Reimbursements and Contributions	(37,736)	9%	(47,492)	(9,755)
Interest	(2,645)	1%	(2,449)	196
Net Budget	261,697		297,259	35,561

9. Savings

9.1. The summary position on savings delivery as at 31 December is that the Council anticipates delivery of 56.33% of targeted savings for the year. This is shown in tables 5a and 5b below.

9.2. Table 5a shows the analysis of savings targeted in the year based on the origin of the savings. There are three areas of origin. These are:

- New savings approved in the 2024/25 budget (£62.5m). These are to be cashable and recurrent to avoid a savings challenge being carried forward to future years.
- Demand management initiatives approved in the 2024/25 budget (£6.8m). These represent areas of anticipated demand pressure in social care that could be addressed, thereby reducing care costs in the year. Adopting sustainable approaches to this will help ensure that budget pressures in future years are minimised or reduced.
- Savings previously approved in the 2023/24 budget and secured in that year on a one-off (not ongoing) basis (£20.7m), and which were therefore required to be delivered in 2024/25. It should be noted that many of these relate to staffing costs – e.g. savings from funded vacant posts, or from staff turnover. These savings were achieved last year though holding posts vacant. The service review process enacted in the current year has provided the necessary ability to review these funded vacant posts and to determine where they can be permanently deleted. Hence, while these savings needed to be ‘re-found’, plans already existed in the majority of cases.

Analysis by savings origin	Savings target	31 December forecast delivery	31 December forecast delivery
	£m	£m	%
New savings approved for 2024/25 budget	62.5	35.3	56
Demand management initiatives in the 2024/25 budget	6.8	7.0	100
Savings brought forward from 2023/24 where they were met on a one-off basis with plans to secure an ongoing budget reduction in 2024/25	20.7	8.4	41
Total	90.0	50.7	57

9.3. Table 5a shows that the anticipated level of delivery is 57% overall as at 31st December. Work is in hand to continue to improve on the level of delivery. Demand management initiatives have over-achieved as at 31st December. New savings approved in the budget for the current year indicates forecast delivery of 56%. Savings brought forward show the lowest level of delivery at 41%. This is explained, in part, by the work on workforce resizing so that not all decisions are yet included in the savings projections. Additionally, this area includes several organisation-wide initiatives, which, by their nature, are more challenging to implement. PwC as our transformation partner play a key role in supporting delivery in this area.

Table 5b - Summary of savings delivery forecast at 31 December, based on delivery route

Analysis by delivery route	Savings target	31 Dec forecast delivery	31 Dec forecast delivery	Under/(over) delivery
	£m	£m	%	£m
People	25.3	25.5	100	(0.2)
Place	22.0	13.0	59	9.0
Resources	4.8	2.8	58	2.0
Health & Wellbeing	1.6	1.6	100	0
SMB & Corporate	2.5	0.7	26	1.8
Sub Total: Service-led savings	56.2	43.6	78	12.6

Analysis by delivery route	Savings target	31 Dec forecast delivery	31 Dec forecast delivery	Under/(over) delivery
	£m	£m	%	£m
Organisation-Wide savings	33.8	7.1	21	26.7
Total	90.0	50.7	57	39.3

- 9.4. Table 5b represents the information shown in table 5a, but this time analysing savings delivery by the delivery route. There are two main delivery routes. These are ‘service-led’ delivery and ‘organisation-wide’ delivery.
- 9.5. Service-led savings were proposed by individual service areas as part of the preparation of the 2024/25 budget. Delivery currently ranges from 26% to 100%, with an average level of forecast delivery as at 31 December of 78%.
- 9.6. Organisation-wide savings relate to whole-organisation transformation and resizing. These initiatives were described in the July 2024 Cabinet report on the Council’s New Operating Model. These are more complex to design and implement but the current forecast anticipated delivery at 21% against the £33.8m target. Organisation-wide savings were anticipated as a significant challenge during the business planning process for 2024/25. Engagement with PwC as a transformation partner is part of the response to that challenge, as is the creation of the Office of the Chief Executive (OCE).
- 9.7. Considering the overall view of delivery as at 31 December indicates the anticipated level of delivery is 57%. This compares with 81% secured in the last financial year by the end of the year. Work is in hand to continue to improve on the level of delivery. Demand management initiatives have been fully secured as at 31 December (100% delivery is forecast).
- 9.8. The Council is now scrutinising supply-chain spending, including strengthening contract management and developing ways to reduce the carbon footprint of the supply chain. This includes a review of contract management approaches across the Council including areas where additional support may be required. Expenditure requisitions are being scrutinised to test necessity, cost minimisation, and to secure overall spending reductions through the remainder of the year.

10. PWC – strategic partner engagement

- 10.1. The Council has been working with PwC since they were awarded the contract to be the Council’s Transformation Partner in March 2023. They successfully supported the Council delivery savings and non-financial benefits during the 2023/24 financial year, and so the arrangement was extended into 2024/25.
- 10.2. The Council has worked with PwC to refocus their effort on three key areas of delivery for the financial year 2024/25. These are outlined in the table below, which also outlines the contractually agreed and anticipated costs (£6.025m) of PwC involvement and anticipated benefit (£9.2m) that is to be delivered through this activity.

Table 6 – Contractually defined costs and anticipated benefits of engagement with PwC

Theme	Spent to 31 December	Committed to 31 March	Estimated benefit in current financial year	ROI (current year)	Estimated benefit in next financial year	ROI (next year)	Commentary
Customer Management	£1.5m	£2.8m	£0.3m	0.1	£0.3m	0.2	Work has continued on the automation and digitalisation of processes across a number of services with voice automation being deployed at pace while systems are being developed to enable digitalisation of processes. While there have been some delays, a clear roadmap is in place to deliver until the end of the financial year.
Resizing and TOM	£1.2m	£1.2m	£7.6m	6.3	£8.6m	7.1	Activity in this area is complete with an outline TOM prepared for implementation. Service reviews have enabled a programme of resizing to reduce establishment costs, and two 'construct' workstreams have provided refreshed processes that will, when implemented, improve efficiencies and enhance the outcomes from contracts.
Third party spending	£0.8m	£0.8m	£0.2m	0.25	£0.3m	0.4	Activity in this area is largely completed. Spend reviews released some savings, while a review of contracts has identified areas for further release of spending reductions in third party spend. Next steps to realise these savings are being planned.
Subtotal	£1.1m	£4.8m	£8.1m	1.7	£9.2m	1.9	
	0.8m	£1.225m					Potential additional fees based on performance and the achievement of agreed outcomes (including savings).
Total		£6.025m					<i>Estimated ROI is not yet included for the potential total – estimated benefits and potential additional costs are not yet known with confidence.</i>

11. Reserves

11.1. The 2023/24 year ended with a General Fund Balance of £8.237m, which was brought forward into the new year. The 2024/25 budget included a contribution of £30.583m to the General Fund balance. The total on hand in this reserve at the beginning of the year was therefore £38.820m. This was considered a safe level given the profile of financial risks. As the year is progressing, maintenance of our level of GFB appears impossible and it is of great concern that the Council appears to have minimal resilience against any unforeseen variances. There is

some comfort that this position is slowly improving each month. This position is under constant review with the aim to forecast a higher retention of GFB before year end. This is shown in the table below, and in Appendix 6.

Table 7: General Fund Balance

General Fund	£'000
Balance as at 1 st April 2024	8,237
Budgeted Contribution in 2024/25	30,583
Budgeted General Fund Balance as at 31st March	38,820
2024/25 estimated spending above budget (as projected at Q3) – Post Service Review	(35,561)
Balance as at 31 March 2025	3,259

11.2. The current projected overspend would deplete the majority of the General Fund Reserve and so it is vital that the current projected level of spending is significantly reduced.

12. Capital

12.1. The current capital programme and actual spend is detailed in Table 4 below, including updated projections on financing of the programme. Further detail is provided in Appendix 7.

Table 8: Projected Capital Programme Outturn

Directorate	2024/25 Revised Capital Programme (£'000)	2024/25 Actual Spend (£'000)	2024/25 Actual YTD spend as % of Budgeted YTD Spend	2025/26 Capital Programme (£'000)	2026/27 Capital Programme (£'000)
Health & Wellbeing	1,736	1,408	81.1%	564	150
People	9,604	3,546	36.9%	9,085	8,479
Place	80,320	46,648	58.1%	110,864	43,420
Resources	100	172	172.2%	-	-
Strategic Management Board	165	90	54.6%	-	-
Total General Fund	91,925	51,864	56.4%	120,513	52,049
Housing Revenue Account	18,768	9,361	50.0%	18,247	20,643
Total Capital Programme	110,693	61,225	55.3%	138,760	72,692
Financed By:					
Borrowing	(22,559)			(25,949)	(20,097)
Government Grants	(60,483)			(84,003)	(37,244)
Other Grants	(848)			(72)	-
Other Contributions	(16,480)			(9,176)	(1,440)
Revenue Contributions to Capital	(643)			(873)	(347)
Major Repairs Allowance	(9,481)			(5,560)	(5,000)
Capital Receipts	(199)			(12,727)	(8,564)
Total Financing	(110,693)			(138,360)	(72,692)

* Actual financing of the capital programme is determined at year end

12.2. The financing of the current capital programme assumes a level of capital receipts being realised. Capital receipts are a particular class of capital funding which can be used to support revenue costs of transformation, where the link to genuinely

transformational changes lasting several years can be demonstrated. Appendix 8 summarises the current capital receipt position and highlights both opportunities to secure receipts and the risk of increased revenue costs in future years.

12.3. The capital receipt projections for 2024-25 include a significant requirement of £26.008m to fund the Council’s transformational activities. This projection includes a projection of £10.863m for the Voluntary Redundancy Programme (with a further £3.468m required in 2025-26, £0.226m for compulsory redundancies, £7.844m for transformation projects and £7.075m (including spending carried forward from the previous year) for the Council’s Strategic Transformation Partner. The capital receipts requirement of actual voluntary redundancies is being updated monthly as redundancies actually occur. Compulsory redundancies expenditure of £0.226m represents actual payments to the end of November 2024. All of these capital receipts requirement estimates will be refined on an ongoing basis as further details on actual costs are determined.

13. Housing Revenue Account

13.1. At Quarter 3 (Period 9), the HRA is projecting a minor underspend of £0.5m (2.2% of gross budget) due to a reduction in the forecasted major repairs spend for the year. This will be continue to be monitored during the remainder of the year and any residual underspend or overspend will be charged through to the HRA reserve.

14. Dedicated Schools Grant

14.1. There was a cumulative DSG deficit of £2.304m carried forward from the 2023/24 financial year. In 2024/25, High Needs Block pressure is driving a forecast in-year overspend of £9.033m. Overall, the in-year DSG deficit across all 4 blocks of the DSG is forecast to be £9.174m which will result in a cumulative DSG deficit of £11.479m as at the end of the 2024-25 financial year. This is summarised below.

Table 9: Projected DSG Outturn

	£000s
Accumulated deficit brought forward from previous years	2,304
Forecast deficit arising in the current year	9,174
Accumulated deficit carried forward to future years	11,479

14.2. £2.790m of the £9.033m overspend on the High Needs Block DSG relates to the top-up funding paid to mainstream schools. As anticipated, there has been a large increase (46%) in top-up funding to mainstream schools reflecting increasing requests for EHC Needs Assessment and issuing of EHC plans. The increase has been particularly pronounced since the start of the 2024-25 academic year.

14.3. There is a £3.336m overspend on top-up funding to special schools. There has been an exercise in 2024-25 to review the use of banding levels being applied in Shropshire state-funded the Special Schools. This has resulted in a range of changes, including children and young people being plaed on higher banding levels than previously determined, based on their needs, as well as banding levels increasing. Another explanation for the increase in spend in this budget line is the planned increase in numbers at Keystone Special School, where up to 120 pupils are now able to be placed from September 2024.

- 14.4. There is also an overspend of £2.578m on Independent Special Schools placements. The Council has experienced a sharp increase in demand year on year for Independent Special School placements as evidenced by the number of new placements, particularly at one provider where capacity has been increased. There also continues to be a more frequent use of independent alternative providers, particularly in relation to children who are post 16.
- 14.5. A High Needs Block DSG 5-year forecast will be presented to Schools Forum later in the year with possible mitigations set out to bring the DSG financial position back into balance.
- 14.6. At present the Government has applied a statutory override to DSG deficits which means that the deficit is not required to be funded by the General Fund (as would usually be the case). The override is due to expire in March 2026. Good governance requires that all efforts must be made to constrain any overspend in the DSG, but the need to fund it from the General Fund would not arise until March 2026 under current arrangements. Current advice from DfE is that councils with DSG deficits should be looking ahead to what local arrangements could be made to fund that deficit, should the statutory override be removed.

15. Financial Management

- 15.1. Key indicators of financial management can be examined through the management of routine financial transactions that the Council undertakes on a day-to-day basis.
- 15.2. In paying suppliers, the Council has adopted a no Purchase Order, no pay process which ensure that transactions are only processed with a valid, authorised purchase order, thereby ensuring prompt payments to suppliers on receipt of invoice.
- 15.3. Another key indicator of financial management is the level of aged debt that the Council is managing. These indicators are tracked over the course of the financial year to monitor progress. The indicators as at Quarter 3 are detailed in Appendix 9.

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
Financial Monitoring Quarter 1 2024/25
Financial Monitoring Quarter 2 2024/25
Financial Rules

Local Member: All

Appendices [Please list the titles of Appendices]

Appendix 1A – 2024/25 Projected Revenue Outturn by Service

Appendix 1B – 2024/25 Detailed Projected Revenue Outturn by Service

Appendix 1C – 2024/25 Projected Revenue Outturn by Portfolio Holder

Appendix 2 – 2024/25 Income Projections

Appendix 3 – Delivery of 2024/25 Savings Proposals

Appendix 4 – Reconciliation of Monitoring Projections to Savings Delivery

Appendix 5 – Amendments to Original Budget 2024/25

Appendix 6 – Reserves 2024/25

Appendix 7 – Projected Capital Programme Outturn 2024/25 – 2026/27

Appendix 8 – Projected Capital Receipts

Appendix 9 – Financial Management Indicators

APPENDIX 1A - ANALYSIS OF MOVEMENT FROM NOVEMBER FORECAST (P8) TO DECEMBER FORECAST (P9/Q3)

Directorate	Service Area	Forecast Variance @ P9	Forecast Variance @ P8	Movement P8-P9	Explanation of Movement from P8 to P9
Corporate Budgets					
	Corporate Budgets	(312)	2,432	(2,745)	• £2.750m reduction in forecast for capital financing (MRP) further to latest capital programme delivery forecast.
Corporate Budgets Total		(312)	2,432	(2,745)	
Health and Wellbeing					
	Integration & Healthy People - Non-Ringfenced	(407)	(566)	159	• Adjustment of savings presentation (£0.075m) • Balance due to review of transformation funding and pay award costs.
	Integration & Healthy People - Ringfenced	(0)	(0)	0	• No variance between Period 8 and Period 9
Health and Wellbeing Total		(407)	(566)	159	
People					
	Adult Social Care	4,018	4,061	(43)	• £0.323m Increase in spend linked to residential costs for Older People • (£0.276m) Increased Client contributions to Four Rivers • (£0.053m) Capitalisation of posts for transformational projects
	Children's & Families	7,538	7,173	365	• £0.458m increase against External Residential Placements.
	Education & Achievement	1,943	1,927	16	• Minor variance between Period 8 and Period 9
	Shire Services	(35)	(34)	(2)	• Minor variance between Period 8 and Period 9
	People Directorate Management	3,881	3,493	388	• Revision to the unachieved savings targets showing in-year
People Total		17,345	16,619	725	
Place					
	Growth and Infrastructure	10,693	10,656	37	• Minor variance between Period 8 & Period 9
	Homes and Communities	3,948	3,849	99	• Minor variance between Period 8 & Period 9
	Place Directorate Management	(153)	(153)	(0)	• No variance between Period 8 and Period 9
Place Total		14,487	14,352	136	
Resources					
	Workforce and Improvement	875	869	6	• Minor variance between Period 8 and Period 9
	Finance and Technology	1,768	1,714	54	• Minor variance between Period 8 and Period 9

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Directorate	Service Area	Forecast Variance @ P9	Forecast Variance @ P8	Movement P8-P9	Explanation of Movement from P8 to P9
	Legal and Governance	358	299	59	• Minor variance between Period 8 and Period 9
	Pensions	2	2	0	• No variance between Period 8 and Period 9
	Resources Directorate Management	936	968	(32)	• Minor variance between Period 8 and Period 9
Resources Total		3,939	3,852	87	
Strategic Management Board					
	Chief Executive and PAs	138	126	12	• Minor variance between Period 8 and Period 9
	Programme Management	214	206	8	• Minor variance between Period 8 and Period 9
	Communications and Customer Services	157	289	(132)	• £0.075m projection removal of corporate saving in P9 in Communications • (£0.200m) contribution of Public Health Grant through substitutions
	Strategic Management Board Total	510	622	(112)	
	Council Net Spending	35,561	37,311	(1,750)	

APPENDIX 1B ANALYSIS OF UNDERLYING FORECAST VARIANCE AT DECEMBER (P9/Q3)

			Budget	Outturn	Variance	RAGY
A1R010	PEOPLE		214,767,270	232,111,806	17,344,536	R
Service Area		Portfolio Holder	Budget	Outturn	Variance	RAGY
RSA005	Adult Social Care Operations	Adult Social Care and Public Health	125,593,370	129,055,860	3,462,490	R
<ul style="list-style-type: none"> £2.158m transformation targets yet to be realised £0.869m Purchasing projected spend over budget due to increased costs and complex cases 						
RSA003	Adult Social Care Provider Services	Adult Social Care and Public Health	4,051,320	4,533,664	482,344	R
<ul style="list-style-type: none"> transformation targets yet to be realised 						
RSA001	Adult Social Care Business Support and Development	Adult Social Care and Public Health	(2,433,010)	(2,010,107)	422,903	R
<ul style="list-style-type: none"> transformation targets yet to be realised 						
RSA002	Adult Social Care Management	Adult Social Care and Public Health	986,280	636,269	(350,011)	Y
<ul style="list-style-type: none"> (£0.323m) Capitalisation of posts for transformational projects 						
		Adults	128,197,960	132,215,686	4,017,726	R
RSA018	Children's Social Care and Safeguarding	Children & Education	20,849,240	23,732,728	2,883,488	R
<ul style="list-style-type: none"> £0.936m forecast spend over budget on staffing across the Social Work Teams, largely relating to Agency Social Workers. £0.791m savings target unachievable relates to efficiency savings targets across the whole of Children's Social Care and more time is required to produce a delivery plan. £0.570m forecast spend over budget relates to other costs such as transport recharges and taxi costs, childcare payments, parenting assessments and interpreting fees. £0.338m forecast spend over budget relates to Disabled Children's budget area with £0.349m of the value explained by DCT prevention and Support payments £0.270m "low value efficiencies" savings target is currently forecast to be unachieved. £0.183m forecast spend over budget relates to Adoption Services. There is a £0.274m spend over budget on Adoption Allowances but this is partially offset by a spend under budget on Intra-Agency adoption placements. £0.205m net under spend against budget on Public Law Outline support packages. 						
RSA019	Children's Early Help & Placements	Children & Education	41,444,090	46,098,952	4,654,862	R
<ul style="list-style-type: none"> £4.337m forecast spend over budget on External Residential Placements. There have been a number of new external residential spot placements in recent months. £2.018m forecast spend over budget on Fostering. The majority relates to External Fostering (£1.686m), partly explained by a portion of £1m savings target which was not achieved on an ongoing basis in 2023/24. £0.429m relates to Internal Fostering fees and allowances, while a £0.097m spend under budget relates to 16-18 Supported Accommodation placements. £0.343m new savings proposed in 2024/25 are currently forecast as unachieved. These are organisational savings relating to rightsizing the organisation, third party spend and efficiency savings across the whole of Early Help. More time is required to produce a delivery plan to set out how these organisational wide savings will be achieved. £0.205m forecast spend under budget the Internal Residential Homes due to the temporary closure of 2 of the homes 						

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- £0.556m forecast spend under budget against Early Help. The service implemented a new staffing structure from 1st June so staff turnover has been high and a number of posts have remained vacant as the service has restructured. The underspend also reflects the increased use of Supporting Families Grant within Early Help.

- There is a credit of £1.282m relating to the capitalisation of posts as a one-off working on transformational projects (Stepping Stones Project)

		<i>Children's</i>	62,293,330	69,831,680	7,538,350	R
RSA021	Learning and Skills	<i>Children & Education</i>	18,196,700	21,288,429	3,091,729	R

- £3.301m forecast spend over budget against Home to School Transport. £1.635m of this relates to SEND Transport where there has been a significant increase in the number of children with EHC Plans requiring transport. The remaining £1.666m relates to mainstream transport and the Children's transport Fleet.

- There is a credit of £0.058m relating to the capitalisation of 1 post as a one-off working on transformational projects within Learning & Skills Business Support.

- There are £0.151m of one-off efficiencies across both staffing and non-staffing budgets within Learning & Skills Business Support.

RSA075	Public Transport	<i>Highways</i>	7,168,080	6,019,316	(1,148,764)	Y
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- Department for Transport Grants applied against base budget funded expenditure totalling £0.770m has resulted in an under spend against budget

- The remaining spend under budget is due to savings resulting from changes in the Concessionary Fares reimbursement model

RSA017	Shire Services	<i>Housing and Assets</i>	0	(35,470)	(35,470)	Y
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Minor Variance to budget as at Period 9

		<i>Learning and Skills</i>	25,364,780	27,272,276	1,907,496	R
RSA070	People Directorate Management	<i>Adult Social Care and Public Health</i>	(1,088,800)	2,792,165	3,880,965	R

£3.881m relates largely to efficiency savings delivery

			214,767,270	232,111,806	17,344,536	
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Directorate			Budget	Outturn	Variance	RAGY
A1R003	PLACE		51,168,400	65,655,755	14,487,355	R
A1R003: Place		<i>Portfolio Holder</i>	Budget	Outturn	Variance	RAGY
RSA038	Waste Management	<i>Deputy Leader, Climate Change, Environment and Transport</i>	34,468,390	36,289,460	1,821,070	R

- Shortfall on Waste PFI contract re-negotiation based on delayed implementation £2.000m: Shortfall on Green waste charges (Oct implementation and 70% initial take up) £1.750m; Shortfall on Energy Share Contribution £1.000m all offset by savings on PFI contract being less than budgeted (£2.870m)

RSA004	Housing Services	<i>Housing and Assets</i>	3,870,520	3,562,352	(308,168)	Y
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- £0.330m variance driven by activity higher than provided for in the budget for Temporary Accommodation.

- (£0.493m) savings in salaries due to Voluntary Redundancy (VR) & vacancies.

- (£0.147m) savings on contracts.

RSA033	Outdoor Partnerships	<i>Culture and Digital</i>	1,156,650	1,091,537	(65,113)	Y
• Minor variance to budget at Period 9						
RSA034	Leisure	<i>Culture and Digital</i>	1,979,980	2,124,942	144,962	R
• Spend over budget on salaries on casual staff needed for leisure centres • Spend over budget on contributions to utilities						
RSA036	Museums and Archives	<i>Culture and Digital</i>	1,118,150	973,483	(144,667)	Y
• Spend below budget due to delay of Invest 2 Save payment.						
RSA032	Shropshire Hills National Landscape	<i>Culture and Digital</i>	35,020	35,020	0	R
• No variance to budget at Period 9						
RSA037	Theatre Services	<i>Culture and Digital</i>	18,750	(575,374)	(594,124)	Y
• Additional net income						
RSA059	Commercial Services Business Development	<i>Housing and Assets</i>	(46,880)	15,506	62,386	R
• Minor variance to budget at Period 9						
RSA060	Head of Culture, Leisure & Tourism	<i>Culture and Digital</i>	170,090	143,173	(26,917)	Y
• Minor variance to budget at Period 9						
RSA065	Housing Development and HRA	<i>Housing and Assets</i>	60,250	71,637	11,387	R
• Minor variance to budget at Period 9						
RSA030	Culture, Leisure & Tourism Development	<i>Culture and Digital</i>	14,760	11,579	(3,181)	Y
• Minor variance at Period 9						
RSA006	Bereavement Services	<i>Planning and Regulatory Services</i>	(270,710)	(249,493)	21,217	R
• Minor variance to budget at Period 9						
RSA064	Assistant Director Homes and Communities	<i>Housing and Assets</i>	(2,529,850)	167,978	2,697,828	R
• transformation targets yet to be realised						
		<i>Homes and Communities</i>	40,045,120	43,661,800	3,616,680	R
RSA031	Highways & Transport	<i>Highways</i>	10,112,410	12,064,030	1,951,620	R
• Delays in implementing the revised parking strategy • Reserves now fully exhausted (reduced balance available to apply in 2024/25) • Additional Street works income						
RSA062	Climate Change	<i>Deputy Leader, Climate Change, Environment and Transport</i>	(213,300)	179,995	393,295	R

• Delayed implementation of Pyrolysis Plant £0.270m & Maesbury Solar Farm £0.125m expected to generate income.						
RSA013	Corporate Landlord, Property and Development	Housing and Assets	3,581,710	4,721,612	1,139,902	R
• Shortfall on Income received as follows; Ptarmigan £0.356m; Castle Court (Oswestry) £0.245m; Shirehall £0.245m; Mardol house / Tannery £0.112m, various Smallholdings £0.127m; various other properties £0.135m. Work continues to mitigate these shortfalls, linked to meeting the asset rationalisation savings targets.						
RSA063	Highway Policy & Strategic Infrastructure	Deputy Leader, Climate Change, Environment and Transport	1,631,570	1,763,209	131,639	R
• Shrewsbury Town Council grounds maintenance contract savings not fully achieved						
RSA023	Director of Place	Housing and Assets	323,210	169,886	(153,324)	Y
• Anticipated Service Review savings offset by some transformation savings yet to be realised						
RSA024	Assistant Director Economy & Place	Growth and Regeneration	(708,920)	221,601	930,521	R
• transformation targets yet to be realised						
RSA026	Economic Growth	Growth and Regeneration	1,189,200	1,151,645	(37,555)	Y
• Minor variance to budget at Period 9						
RSA027	Broadband	Culture and Digital	150,330	94,765	(55,565)	Y
• Minor variance to budget at Period 9						
RSA028	Policy and Environment	Planning and Regulatory Services	1,780,590	1,803,720	23,130	R
• Minor variance to budget at Period 9						
RSA058	Assistant Director Highways and Transport	Highways	(2,070,890)	237,579	2,308,469	R
• transformation targets yet to be realised						
RSA012	Assistant Director Commercial Services	Housing and Assets	(4,652,630)	(414,087)	4,238,543	R
• transformation targets yet to be realised						
		Highways and Growth	11,123,280	21,993,955	10,870,675	R
Total A1R003: Place			51,168,400	65,655,755	14,487,355	

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			Budget	Outturn	Variance	RAGY
A1R011	HEALTH & WELLBEING		5,961,710	5,554,848	(406,862)	Y
A1R011: Health and Wellbeing		Portfolio Holder	Budget	Outturn	Variance	RAGY
RSA011	Ring Fenced Public Health Services	Adult Social Care and Public Health	(29,960)	(29,960)	0	Y
• No variance at Period 9						
		Public Health	(29,960)	(29,960)	0	R

RSA007	Regulatory Services	Planning and Regulatory Services	1,342,190	1,350,990	8,800	R
• Minor variance at Period 9						
RSA008	Business and Consumer Protection	Planning and Regulatory Services	1,871,590	1,605,601	(265,989)	Y
• (£0.266m) spend under budget mainly due to VR posts contributing to corporate savings, vacant post and restructure						
RSA025	Planning Services	Planning and Regulatory Services	(144,230)	(404,834)	(260,604)	Y
• Additional net income forecast						
RSA035	Libraries	Culture and Digital	2,907,770	2,864,716	(43,054)	Y
• Minor favourable variance at P9						
RSA044	Business Improvement: Data, Analysis and Intelligence	Culture and Digital	14,350	168,335	153,985	R
• £0.261m overspend in transformation work due to funding being reduced to 80% of allocated posts rather than 100% as budgeted for a certain number of posts across the team, offset against other staffing recharge income expected.						
		Regulatory and Engagement	5,991,670	5,584,808	(406,862)	R
Total A1R011: Health and Wellbeing			5,961,710	5,554,848	(406,862)	

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Directorate			Budget	Outturn	Variance	RAGY
A1R012	RESOURCES		3,781,910	7,720,752	3,938,842	R
A1R012: Resources		<i>Portfolio Holder</i>	Budget	Outturn	Variance	RAGY
RSA047	Finance	Finance, Corporate Resources and Communities	2,155,420	4,128,219	1,972,799	R
<ul style="list-style-type: none"> • £1.418m balance of savings not yet achieved, offset somewhat by vacancy management in-year. • £0.525m change in anticipated savings delivery in in year HB subsidy loss • £0.030m additional capitalisation of staff above budget. 						
RSA042	Automation and Technology	Culture and Digital	152,210	(577,858)	(730,068)	Y
<ul style="list-style-type: none"> • (£0.279m) reduction across various IT contracts • (£0.781m) capitalisation of staffing due to working on transformational projects • £0.330m balance of savings not yet achieved. Some savings have been met in-year by vacancy management. 						
RSA072	Housing Benefits	Finance, Corporate Resources and Communities	511,630	1,037,124	525,494	R
£1.000m unachieved saving in relation to reducing costs against temporary accommodation - this has been mitigated in-year by (£0.565m) expected by supporting further in-house delivery of temporary accommodation instead of B&B use.						
		Finance and IT	2,819,260	4,587,484	1,768,224	R

RSA045	Human Resources and Organisational Development	<i>Finance, Corporate Resources and Communities</i>	7,880	775,818	767,938	R
<ul style="list-style-type: none"> • £1.032m savings relating to right sizing the organisation, third party spend, Target Operating Model (TOM) activity and income generation. • £0.130m income generation shortfall across Service Level Agreement contracts • £0.055m shortfall on Internal Training Income • (£0.338m) savings achieved from VR programme and vacancy management 						
RSA052	Risk Management	<i>Finance, Corporate Resources and Communities</i>	(30,130)	(29,553)	577	R
<ul style="list-style-type: none"> • Minor variance to budget at period 9 						
RSA073	Scrutiny	<i>Finance, Corporate Resources and Communities</i>	83,720	190,071	106,351	R
<ul style="list-style-type: none"> • £0.100m savings target yet to be realised. 						
		<i>HR & OD</i>	61,470	936,336	874,866	R
RSA051	Commissioning Development and Procurement	<i>Finance, Corporate Resources and Communities</i>	(22,060)	141,651	163,711	R
<ul style="list-style-type: none"> • £0.158m reduced income from the Matrix rebate due to transfer of service to OPUS which should deliver wider organisational savings 						
RSA053	Democratic Services	<i>Finance, Corporate Resources and Communities</i>	(14,800)	(109,815)	(95,015)	Y
<ul style="list-style-type: none"> • Minor variance to budget at period 9 						
RSA054	Elections	<i>Finance, Corporate Resources and Communities</i>	592,330	577,648	(14,682)	Y
<ul style="list-style-type: none"> • Minor variance to budget at period 9 						
RSA055	Legal Services	<i>Finance, Corporate Resources and Communities</i>	(59,070)	668,162	727,232	R
<ul style="list-style-type: none"> • £0.351m transformation savings yet to be realised • £0.279m projected spend above budget in relation to legal child care costs, this spend is demand driven. 						
RSA009	Registrars and Coroners	<i>Planning and Regulatory Services</i>	451,920	242,925	(208,995)	Y
<ul style="list-style-type: none"> • Additional net income 						
RSA066	Policy and Governance	<i>Finance, Corporate Resources and Communities</i>	(36,760)	(199,139)	(162,379)	Y
<ul style="list-style-type: none"> • (£0.162m) spend under budget relating to Vacancy Management and supplies and services. 						
		<i>Legal and Governance</i>	911,560	1,321,432	409,872	R

RSA074	Feedback and Insights	<i>Finance, Corporate Resources and Communities</i>	(7,700)	(59,957)	(52,257)	Y
• Minor variance to budget at period 9						
RSA071	Resources Management Team	<i>Finance, Corporate Resources and Communities</i>	10,210	946,357	936,147	R
• £0.972m savings yet to be achieved in year • (£0.030m) in-year saving by reducing spend on supplies and services						
RSA050	Pensions	<i>Finance, Corporate Resources and Communities</i>	(12,890)	(10,900)	1,990	R
• Minor variance to budget at period 9						
		<i>Resources Director</i>	(10,380)	875,500	885,880	R
Total A1R012: Resources			3,781,910	7,720,752	3,938,842	

			Budget	Outturn	Variance	RAGY
A1R008	STRATEGIC MANAGEMENT BOARD		358,000	867,950	509,950	R
A1R008: Strategic Management Board		<i>Portfolio Holder</i>	Budget	Outturn	Variance	RAGY
RSA043	Communications	<i>Leader, Policy and Strategy, Improvement and Communications</i>	23,590	334,456	310,866	R
• £0.375m unachieved savings yet to be realised somewhat offset by savings achieved across vacancy management and the voluntary redundancy programme of (£0.067m).						
RSA067	Programme Management	<i>Leader, Policy and Strategy, Improvement and Communications</i>	157,290	371,435	214,145	R
• £0.206m spend relating to Transformation that is not able to be capitalised						
RSA076	Customer Services	<i>Leader, Policy and Strategy, Improvement and Communications</i>	169,020	15,544	(153,476)	Y
• £0.330m unachieved savings yet to realised • £0.103m Lost SLA Income re changes to CCTV Service • (£0.276m) balance of vacancy management and voluntary redundancy programme savings achieved through delivery of service review outcomes						
		<i>Office of the Chief Executive</i>	349,900	721,435	371,535	R
RSA056	Chief Executive & PAs	<i>Leader, Policy and Strategy, Improvement and Communications</i>	8,100	146,515	138,415	R
• £0.166m transformation savings yet to be realised • (£0.042m) savings achieved from voluntary redundancy programme and reductions across supplies and services expenditure						

Total A1R008: Strategic Management Board		358,000	867,950	509,950	
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			Budget	Outturn	Variance	RAGY
A1R009	CORPORATE BUDGETS		(14,340,070)	(14,652,461)	(312,391)	Y
A1R009: Corporate Budgets		<i>Portfolio Holder</i>	Budget	Outturn	Variance	RAGY
RSA057	Corporate Budgets	<i>Finance, Corporate Resources and Communities</i>	(14,340,070)	(14,652,461)	(312,391)	Y

- £5.301m transformation savings targets yet to be realised
- £0.187m reduction in forecast interest receivable
- (£0.319m) release of Development Fund budget unapplied in-year
- (£0.358m) reduction in interest payable due in year
- (£0.380m) release of remaining Invest to Save reserve
- (£0.652m) increased income including profit share WME estimates
- (£1.376m) pay award agreement less than budgeted
- (£2.750m) MRP requirement for borrowing related to Capital Projects less than budgeted

Total A1R009: Corporate Budgets		(14,340,070)	(14,652,461)	(312,391)	
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Grand Total :		261,697,220	297,258,651	35,561,431	
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APPENDIX 1C

2024/25 PROJECTED REVENUE OUTTURN BY PORTFOLIO HOLDER

Portfolio Holder	Revised Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000
Portfolio Holder Adult Social Care and Public Health	127,079	134,978	7,899
Portfolio Holder Children and Education	80,490	91,120	10,630
Deputy Leader and Portfolio Holder Climate Change, Environment and Transport	35,887	38,233	2,346
Portfolio Holder Highways	15,210	18,321	3,111
Portfolio Holder Culture and Digital	7,718	6,354	-1,364
Portfolio Holder Planning and Regulatory Services	5,031	4,349	-682
Portfolio Holder Housing and Assets	606	8,259	7,653
Portfolio Holder Growth and Regeneration	480	1,373	893
Leader and Portfolio Holder Policy and Strategy, Improvement and Communications	358	868	510
Portfolio Holder Finance, Corporate Resources and Communities	-11,162	-6,597	4,566
Total	261,697	297,259	35,561

APPENDIX 2

2024/25 INCOME PROJECTIONS Specific Government Grants

The revenue budget for 2024/25 includes specific Government Grants of £300.846m. The majority of these budgets will be based on known allocations that the Government has announced for Shropshire Council. However, during the year the Council will also bid for additional grant funding to support activities. This table tracks the overall position as it emerges.

Government Grants	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
People			
Dedicated Schools Grant	(128,231)	(128,231)	0
Pupil Premium Grant	(7,216)	(7,216)	0
Market Sustainability and Improvement Fund	(6,098)	(6,098)	0
Adult Social Care Discharge Fund	(2,772)	(2,772)	0
Unaccompanied Asylum Seeking Children	(2,987)	(3,811)	(824)
Improved Better Care Fund	(1,967)	(1,967)	0
Other Grants	(7,303)	(10,867)	°(3,564)
Total People Grants	(156,574)	(160,962)	(4,388)
Place			
UK Shared Prosperity Fund	(5,662)	(6,896)	(1,234)
Waste - PFI	(3,186)	(3,037)	149
Homes for Ukraine	(1,513)	(1,592)	(79)
Other Grants	(4,806)	(6,186)	*(1,380)
Total Place Grants	(15,167)	(17,711)	(2,544)
Health and Wellbeing			
Public Health Grant	(13,496)	(13,496)	0
Other Grants	(1,558)	(2,817)	^(1,259)
Total Health and Wellbeing Grants	(15,054)	(16,313)	(1,259)
Resources			
Mandatory Rent Allowances: Subsidy	(38,000)	(38,000)	0
Rent Rebates: Subsidy	(7,902)	(7,902)	0
Other Grants	(756)	(1,203)	(447)
Total Resources Grant	(46,658)	(47,105)	(447)
Strategic Management Board	0	(357)	(357)
Corporate Budgets			

Social Care Support Grant	(28,010)	(28,010)	0
Business Rate Retention Scheme – s31 Grants	(23,625)	(23,625)	0
Improved Better Care Fund	(9,896)	(9,896)	0
Rural Service Delivery Grant	(8,982)	(8,982)	0
New Homes Bonus	(1,807)	(1,807)	0
Other Grants	(1,879)	(1,930)	(51)
Total Corporate Budgets	(74,199)	(74,250)	(51)
Total	(307,652)	(316,698)	(9,046)

* Additional grants in Place include £0.3m of DFE Multiply Funding relating to the UK Shared Prosperity Fund, an additional £0.174m for Active Travel Grant and an additional £0.246m of Household Support Fund.

^ Additional grants projected include £0.567m of Supplementary Substance Misuse Treatment and Recovery Funding, £0.342m of Rough Sleeping Drug & Alcohol Treatment & Recovery funding and £0.250m of PCC Grant.

° Additional grants in People include £1.951m for the Bus Service Improvement Plan +

Income from Fees and Charges

The forecast income from discretionary sales, fees and charges is showing a projected shortfall, although over £1.2m of this is due to a reduction in costs being recharged as the costs are no longer held within the council (i.e. Marches LEP). Other shortfalls in income include car park income and rental income within Growth and Infrastructure. Further work will be undertaken within these services to generate additional income to offset these projected shortfalls, or expenditure will be reduced accordingly.

Fees and Charges Income	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
People			
Adult Social Care Management	0	0	0
Adult Social Care Business Support & Development	(3,042)	(3,102)	(60)
Adult Social Care Provider Services	(175)	(217)	(42)
Adult Social Care Operations	(1)	(6)	(5)
Children's Social Care and Safeguarding	0	(15)	(15)
Children's & Families	0	0	0
Education & Achievement	(13,329)	(13,610)	(281)
Directorate Management	0	0	0
People Total	(16,547)	(16,950)	(403)
Place			
Growth & Infrastructure	(19,292)	(14,193)	5,099
Homes & Communities	(7,733)	(7,497)	236
Directorate Management	0	0	0
Place Total	(27,025)	(21,690)	5,335

Health and Wellbeing			
Integration & Healthy People– Non Ringfenced	(280)	(494)	(214)
Integration & Healthy People - Ringfenced	(960)	(927)	33
Health and Wellbeing Total	(1,240)	(1,421)	(181)
Resources			
Workforce and Improvement	(558)	(452)	106
Finance and Technology	(1,951)	(1,878)	74
Legal and Governance	(69)	(1,059)	(991)
Pensions	(21)	(21)	0
Directorate Management	0	0	0
Resources Total	(2,599)	(3,410)	(811)
Strategic Management Board			
Chief Executive and PAs	0	0	0
Programme Management	0	0	0
Communications and Engagement	(180)	(53)	127
Strategic Management Board Total	(180)	(53)	127
Corporate Budgets	0	0	0
Total	(47,591)	(43,524)	4,067

APPENDIX 3

DELIVERY OF 2024/25 SAVINGS PROPOSALS

2.1 Summary


The savings projections for 2024/25 are being tracked monthly with savings delivery being mapped against projected delivery during the course of the year.

The table below summarises the position as at 31st December 2024.

Savings Target	Delivered	Projected Delivery	Indicative Plans	Not Yet Planned	25/26 Full Year Savings	25/26 Savings Outstanding
£90,006,406	£43,934,063	£47,987,977	£2,711,302	£39,307,128	£51,713,293	£38,293,113
	% Delivered	% Projected Delivery	% Indicative Plans	% Not Yet Planned	% 25/26 Full Year Savings	% 25/26 Savings Outstanding
	48.81%	53.32%	3.01%	43.67%	57.46%	42.54%

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The savings summary shows projected delivery and indicative plans being in place for over 56% of the savings identified as at Period 9. 25/26 full year delivery is currently showing a delivery of just over 57% which takes into account some of the current savings assuming to be delivered only one-off in-year. Further work is to be progressed to ensure that savings proposals delivered can be delivered on an ongoing basis in order to reduce any further savings pressures into 2025/26.

 Shropshire Council 24/25 Individual Savings List										
Savings Name	Savings Target	Delivered to Date (One-off)	Delivered to Date (Ongoing)	Delivered to Date Total	Projected Delivery (One-off)	Projected Delivery (Ongoing)	Projected Delivery Total	Indicative Plans in Place	Not Yet Planned	2025/26 Full Year Savings Delivery (Ongoing)
CM003 - Increase fly tipping charges	£20,000	£0	£20,000	£20,000	£0	£20,000	£20,000	£0	£0	£20,000
CM007 - Increase wider Fees and charges above those mentioned specifically elsewhere	£2,000,000	£0	£44,631	£44,631	£0	£44,631	£46,925	£100,000	£1,853,075	£43,270
EFF03 - Removal of budgets for vacant posts (avg. 3%)	£61,420	£61,420	£0	£61,420	£61,420	£0	£61,420	£0	£0	£61,420
EFF09 - Removal of budgets for vacant posts (avg. 3%)	£1,247,980	£101,410	£0	£101,410	£747,610	£0	£747,610	£0	£500,370	£0
EFF101 - Target Operating Model - staffing budget turnover and wastage increase by 5% (year-end review).	£3,514,980	£867,980	£10,850	£878,830	£867,980	£10,850	£878,830	£0	£2,636,150	£10,850
EFF103(a) - Target Operating Model - Transformation partner delivers 4 x end-to-end process reviews yielding £0.5m per project.	£770,523	£0	£0	£0	£0	£0	£0	£0	£770,523	£0
EFF103(b) - Target Operating Model - Transformation partner delivers 4 x end-to-end process reviews yielding £0.5m per project.	£1,229,477	£0	£0	£0	£0	£0	£0	£600,000	£629,477	£0
EFF105 - Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management	£1,403,190	£22,851	£220,312	£243,163	£130,942	£227,746	£358,688	£3,150	£1,041,352	£142,870
EFF107 - Contract Spend Analysis and Contract Management Review	£250,000	£0	£0	£0	£0	£0	£0	£0	£250,000	£0
EFF108 - Application of corporate grants	£2,000,000	£0	£0	£0	£437,000	£0	£437,000	£0	£1,563,000	£0
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.	£162,000	£0	£0	£0	£0	£162,000	£162,000	£0	£0	£162,000
EFF44(a) - As per the PFI contract - Increased share from the sale of energy and recyclates	£2,000,000	£0	£2,000,000	£2,000,000	£0	£2,000,000	£2,000,000	£0	£0	£2,000,000
EFF44(b) - Review and negotiate key supplier contracts including the Waste PFI contract to secure cost reductions	£2,000,000	£0	£0	£0	£0	£0	£0	£0	£2,000,000	£2,000,000

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EFF44(c) - Reduce from five to three Household Recycling Centres – Anticipated to deliver £0.300m therefore £0.014m included within 2024/25 savings Proposals	£286,000	£0	£286,000	£286,000	£0	£286,000	£286,000	£0	£0	£286,000
EFF45 - Charge staffing costs to capital budgets where possible and appropriate (capital project support or transformation of revenue services).	£2,019,310	£1,044,774	£519,310	£1,564,084	£1,469,374	£94,710	£1,564,084	£0	£455,226	£1,564,084
EFF49 - Removal of budgets for vacant posts (avg. 3%)	£895,870	£0	£81,587	£81,587	£0	£81,587	£81,587	£0	£814,283	£176,780
EFF78 - Review of customer contact teams across the Council - Channel shifting to promote more streamlined and cost-efficient responses.	£1,112,000	£0	£0	£0	£0	£0	£0	£0	£1,112,000	£0
EFF80 - Removal of budgets for vacant posts (avg. 3%)	£717,730	£698,168	£4,990	£703,158	£698,168	£4,990	£703,158	£0	£14,572	£424,538
EFF81 - New Operating Model - Charge staffing costs delivering transformation to capital budgets where possible and appropriate (Workforce and Improvement).	£645,222	£401,737	£0	£401,737	£401,737	£0	£401,737	£0	£243,485	£0
EFF82 - Legal and Governance restructure to include deletion of some vacant posts and the movement of others into transformation	£67,000	£0	£0	£0	£0	£0	£0	£0	£67,000	£0
EFF83 - New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Legal and Democratic).	£57,330	£0	£0	£0	£0	£0	£0	£0	£57,330	£0
EFF84 - New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Finance and IT).	£20,740	£0	£12,898	£12,898	£0	£12,898	£12,898	£16,589	£-8,747	£0
EFF86 - Contract rebates and spending reductions	£28,000	£0	£0	£0	£0	£28,000	£28,000	£0	£0	£28,000
EFF87 - Operating Model - Digital County - Reduce/remove uneconomical Service Delivery	£100,000	£0	£0	£0	£0	£0	£0	£0	£100,000	£0
EFF88 - Review of single person discount and housing benefit applications against data warehouse to reduce error and fraud.	£100,000	£0	£0	£0	£0	£0	£0	£0	£100,000	£0
EFF89 - CCTV provision and management - Seek partner funding contributions	£75,000	£0	£0	£0	£0	£0	£0	£0	£75,000	£0
MD001 - Further increase funding of public health reserves to support preventative initiatives at the children's, adults and customer front-door.	£200,000	£200,000	£0	£200,000	£200,000	£0	£200,000	£0	£0	£0
MD004 - Transfer of a leisure asset to an appropriate provider.	£100,000	£0	£100,000	£100,000	£0	£100,000	£100,000	£0	£0	£100,000
MD006 - Introduce a booking system for household recycling centres	£200,000	£0	£70,000	£70,000	£0	£70,000	£70,000	£130,000	£0	£200,000

MD007 - By increasing the use of technology, community and voluntary support reduce the need for formal care by maximising independence	£2,215,811	£0	£2,046,139	£2,046,139	£0	£2,215,811	£2,215,811	£0	£0	£2,215,811
MD008 - Increase the number of people supported by START inhouse reablement service to maximise independence, preventing readmission and the need for long term social care	£1,596,510	£0	£1,575,959	£1,575,959	£0	£1,596,510	£1,596,510	£0	£0	£1,596,510
MD009 - Reduce the need for long term residential care - Shropshire Council is committed to supporting peoples independence by ensuring they return home from hospital	£1,512,664	£0	£1,583,338	£1,583,338	£0	£1,583,338	£1,583,338	£0	£-70,674	£1,583,339
MD010 - Provider market sustainability - Shropshire Council is continuing to work with the market to commission sustainable services that meet need whilst delivering value	£1,600,000	£0	£1,828,017	£1,828,017	£0	£1,828,017	£1,828,017	£0	£-228,017	£1,600,000
MD011 - Reducing the need to long term residential care - Ensuring that Shropshire Council commission the right care for people in line with their needs	£129,314	£0	£129,314	£129,314	£0	£129,314	£129,314	£0	£0	£129,314
MD012 - Supported living - Reduce the need for 24 hour provision and increase independence through alternative resources such as technology	£1,200,000	£878,929	£326,816	£1,205,745	£878,929	£326,816	£1,205,745	£0	£-5,745	£326,816
MD013 - Working with partners to identify health needs to ensure the right support is given at the right time	£650,000	£0	£650,000	£650,000	£0	£650,000	£650,000	£0	£0	£650,000
MD014 - Enabling the use of wider travel options to increase independence and reduce isolation	£200,000	£200,000	£0	£200,000	£200,000	£0	£200,000	£0	£0	£0
MD015 - Deliver efficiencies through review of service delivery	£300,000	£0	£300,000	£300,000	£0	£300,000	£300,000	£0	£0	£300,000
MD016 - Night time care and support service enabling people to stay at home	£522,000	£0	£522,000	£522,000	£0	£522,000	£522,000	£0	£0	£522,000
MD017 - Supporting people to have Direct payment rather than agency care	£110,000	£0	£173,950	£173,950	£0	£173,950	£173,950	£0	£-63,950	£173,230
MD018 - Stepping stones - Reduce numbers of childcare placements in long-term residential placements, where appropriate	£3,000,000	£0	£3,000,000	£3,000,000	£0	£3,000,000	£3,000,000	£0	£0	£5,649,408
NI001 - Increase in income through the Minimum income guarantee national announcement.	£1,500,000	£0	£1,046,772	£1,046,772	£0	£1,500,000	£1,500,000	£0	£0	£1,500,000
NI002 - Reconciliation of any variance to care hours provided.	£2,300,000	£0	£1,533,336	£1,533,336	£0	£2,300,000	£2,300,000	£0	£-0	£2,300,000
NI003 - Set up a charging structure for recipients of telecare	£100,000	£0	£100,000	£100,000	£0	£100,000	£100,000	£0	£0	£100,000

NI004 - Expand the Handy Person service to a wider range of customers, including fee payers, supporting independent living	£10,000	£0	£10,000	£10,000	£0	£10,000	£10,000	£0	£0	£10,000
NI005 - Increased income from countryside maintenance contracting activity. Review green asset maintenance arrangements	£39,720	£0	£39,720	£39,720	£0	£39,720	£39,720	£0	£0	£39,720
NI006 - Increase income from Museums and Archives services	£150,000	£0	£150,000	£150,000	£0	£150,000	£150,000	£0	£0	£150,000
NI007 - Increase income from an enhanced memorial and ceremony offer at Council sites	£60,000	£0	£0	£0	£0	£0	£0	£60,000	£0	£60,000
NI008 - Increase income from an improved range of wedding and partnership ceremony packages	£68,000	£0	£68,000	£68,000	£0	£68,000	£68,000	£0	£0	£68,000
NI009 - Development of commercial model for theatre and cinema income to achieve net zero budget	£295,000	£0	£295,000	£295,000	£0	£295,000	£295,000	£0	£0	£295,000
NI010 - Introduce charging for fortnightly green waste collection	£4,000,000	£0	£2,250,000	£2,250,000	£0	£2,250,000	£2,250,000	£0	£1,750,000	£4,400,000
NI012 - Charge housing developers for new bins	£70,000	£0	£70,000	£70,000	£0	£70,000	£70,000	£0	£0	£70,000
NI013 - Review options for car parking charges at Council offices	£100,000	£0	£0	£0	£0	£0	£0	£100,000	£0	£100,000
RC001 - Redesign the delivery of the statutory service including managing demand.	£105,000	£0	£105,000	£105,000	£0	£105,000	£105,000	£0	£0	£105,000
RC002 - Redesign the delivery of the statutory regulatory (ecology) services including managing demand.	£58,600	£0	£58,600	£58,600	£0	£58,600	£58,600	£0	£0	£58,600
RC003 - Further increase allocation of the public health grant to support preventative initiatives at the children's, adults and customer front-door.	£90,000	£0	£90,000	£90,000	£0	£90,000	£90,000	£0	£0	£90,000
RC004 - Capitalisation of reserves as one off for staff and projects relating to transformation work to further increase funding of public health reserves to support preventative initiatives. This is for 2024/25, in addition to 1,000,000 in 23/24.	£1,000,000	£1,000,000	£0	£1,000,000	£1,000,000	£0	£1,000,000	£0	£0	£0
RC006 - Increase income through charging for training.	£180,000	£0	£188,147	£188,147	£0	£188,147	£188,147	£0	£-8,147	£188,147
RC007 - Review of our in house day service provision.	£105,000	£0	£105,000	£105,000	£0	£105,000	£105,000	£0	£0	£105,000
RC008 - Review and reduce 3rd party spend	£2,600,000	£0	£2,608,000	£2,608,000	£0	£2,608,000	£2,608,000	£0	£-8,000	£2,608,000
RC009 - Review and reduce the need for 24 hour provision through the use of technology to increase independence	£300,000	£0	£0	£0	£0	£300,000	£300,000	£0	£0	£300,000
RC011 - Review and resize business support functions	£375,000	£0	£375,000	£375,000	£0	£375,000	£375,000	£0	£0	£375,000
RC012 - Review of external day service provision	£180,000	£0	£181,248	£181,248	£0	£181,248	£181,248	£0	£-1,248	£181,248

RC013 - Improve efficiencies of commissioned services across children's services contracts and secure overall reduction in demand.	£1,600,000	£0	£1,600,000	£1,600,000	£0	£1,600,000	£1,600,000	£0	£0	£1,600,000
RC014 - Review & resize senior staffing structure in Children's Services against projected activity levels	£87,000	£87,000	£0	£87,000	£87,000	£0	£87,000	£0	£0	£0
RC016 - Agency Staff - reducing use of agency staff; promote permanent staffing.	£85,000	£0	£85,000	£85,000	£0	£85,000	£85,000	£0	£0	£85,000
RC017 - Review & resize Supported Board and Lodgings (17 & 18 year olds) to ensure full capacity	£30,000	£0	£30,000	£30,000	£0	£30,000	£30,000	£0	£0	£30,000
RC020 - Ensure that funding for the most complex of children is equitably shared with Health as an equal partner responsible for the safe care of children.	£156,000	£0	£156,000	£156,000	£0	£156,000	£156,000	£0	£0	£106,493
RC023 - Focus new residential property acquisitions on priority housing needs	£50,000	£0	£50,000	£50,000	£0	£50,000	£50,000	£0	£0	£50,000
RC024 - Optimise the use of existing Council residential properties	£20,000	£0	£0	£0	£0	£20,000	£20,000	£0	£0	£20,000
RC025 - Review and resize the Housing Services team	£60,000	£0	£60,000	£60,000	£0	£60,000	£60,000	£0	£0	£60,000
RC029 - Review staffing and resize the Rights of Way team	£19,395	£0	£19,395	£19,395	£0	£19,395	£19,395	£0	£0	£19,395
RC030 - Review staffing and resize the Outdoor Partnerships team	£41,250	£0	£41,250	£41,250	£0	£41,250	£41,250	£0	£0	£41,250
RC031 - Removal of Arts Development funding	£17,120	£0	£17,120	£17,120	£0	£17,120	£17,120	£0	£0	£17,120
RC035 - Review staffing and resize the Culture Leisure and Tourism management team	£350,000	£0	£350,000	£350,000	£0	£350,000	£350,000	£0	£0	£350,000
RC036 - Service efficiencies from Registrars service digitisation	£50,000	£0	£50,000	£50,000	£0	£50,000	£50,000	£0	£0	£50,000
RC038 - Review staffing and resize the Business and Consumer Protection Team	£35,000	£768	£34,232	£35,000	£768	£34,232	£35,000	£0	£0	£35,000
RC040 - Dispose of Shirehall quicker and relocate services	£325,000	£0	£130,000	£130,000	£0	£130,000	£130,000	£0	£195,000	£1,181,000
RC043 - Review and resize staffing in Property and Development Services	£550,000	£0	£550,000	£550,000	£0	£550,000	£550,000	£0	£0	£614,190
RC044 - Review and resize the Climate Change team	£200,000	£0	£200,000	£200,000	£0	£200,000	£200,000	£0	£0	£200,000
RC045 - Review and re-size staffing in Strategic Transport	£70,000	£0	£70,000	£70,000	£0	£70,000	£70,000	£0	£0	£75,680
RC046 - Review staffing and secure workforce reductions in tree work, conservation, and historic environment teams.	£175,000	£0	£175,000	£175,000	£0	£175,000	£175,000	£0	£0	£175,000
RC047 - Review and re-size staffing in Planning Policy team	£160,000	£0	£160,000	£160,000	£0	£160,000	£160,000	£0	£0	£160,000
RC048 - Review and re-size staffing in Planning team.	£230,000	£0	£230,000	£230,000	£0	£230,000	£230,000	£0	£0	£230,000

RC049 - Review and re-size staffing in Highways Development team	£100,000	£0	£100,000	£100,000	£0	£100,000	£100,000	£0	£0	£100,000
RC050 - Review and re-sizing staffing in Planning Enforcement	£35,000	£0	£35,000	£35,000	£0	£35,000	£35,000	£0	£0	£35,000
RC051 - Review and re-sizing staffing in Broadband team.	£30,000	£0	£30,000	£30,000	£0	£30,000	£30,000	£0	£0	£30,000
RC052 - Capitalise post in Strategic Infrastructure.	£37,000	£0	£37,000	£37,000	£0	£37,000	£37,000	£0	£0	£37,000
RC053 - Capitalise part of posts in Economic Growth.	£50,000	£0	£50,000	£50,000	£50,000	£0	£50,000	£0	£0	£50,000
RC054 - Review and re-size staffing in the economic development team, including options to capitalise posts.	£77,000	£0	£77,000	£77,000	£0	£77,000	£77,000	£0	£0	£77,000
RC055 - Change in percentage split of chargeable/non-chargeable receipts in Building Control	£70,000	£0	£70,000	£70,000	£70,000	£0	£70,000	£0	£0	£70,000
RC057 - Cessation of LEP contribution further to government guidance.	£36,000	£0	£36,000	£36,000	£0	£36,000	£36,000	£0	£0	£36,000
RC058 - Stop payment of subscription to "Midlands Engine" partnership.	£20,000	£0	£20,000	£20,000	£0	£20,000	£20,000	£0	£0	£20,000
RC059 - Review contractor provisions relating to pensions costs (one off).	£300,000	£300,000	£0	£300,000	£300,000	£0	£300,000	£0	£0	£0
RC060 - Review contracts and secure cost reductions in current 'Green Asset' contracts.	£250,000	£0	£250,000	£250,000	£0	£250,000	£250,000	£0	£0	£250,000
RC061 - Review contract and secure cost reductions in reactive drainage operational team.	£200,000	£0	£200,000	£200,000	£0	£200,000	£200,000	£0	£0	£200,000
RC062 - Review and resize through highways restructure	£600,000	£0	£600,000	£600,000	£0	£600,000	£600,000	£0	£0	£600,000
RC063 - Cross Directorate structural efficiencies & synergies alongside framework utilisation reductions.	£2,000,000	£0	£2,000,000	£2,000,000	£0	£2,000,000	£2,000,000	£0	£0	£2,000,000
RC064 - Review and re-size staffing HR/OD Team (1)	£100,000	£0	£80,302	£80,302	£0	£80,320	£80,320	£0	£19,680	£100,000
RC065 - Review and re-size staffing HR/OD Team (2)	£100,000	£0	£4,514	£4,514	£0	£4,514	£4,514	£0	£95,486	£37,660
RC066 - Review and re-size staffing in the Improvement Team	£75,000	£0	£52,028	£52,028	£0	£52,028	£52,028	£0	£22,972	£34,250
RC068 - Review and re-size staffing in the Overview and Scrutiny Function	£100,000	£0	£0	£0	£0	£0	£0	£0	£100,000	£0
RC071 - Review contract, fleet, and secure cost reductions in use of mobile phones.	£114,000	£0	£114,000	£114,000	£0	£114,000	£114,000	£0	£0	£114,000
RC072 - Review and resize staffing in ICT (includes systems maintenance and development (hardware and software), user support and helpdesk, and corporate network security).	£1,000,000	£810,681	£206,243	£1,016,924	£810,681	£206,243	£1,016,924	£0	£-16,924	£406,770
RC073 - Review and resize staffing in Revenues and Benefits (council tax and business rates collection and council tax support and housing benefits payments)	£500,000	£201,811	£103,379	£305,190	£201,811	£103,379	£305,190	£0	£194,810	£162,258

RC074 - Anticipated cost reductions in Revenues & Benefits arising from improvement of in-house Temporary Accommodation provision.	£1,000,000	£0	£475,042	£475,042	£0	£475,042	£475,042	£0	£524,958	£1,476,672
RC077 - Centralisation and efficiencies of external legal spending.	£100,000	£0	£0	£0	£0	£0	£0	£50,000	£50,000	£100,000
RC078 - New model for future delivery of the Council's Out of Hours calls triage and Shrewsbury Town Centre CCTV monitoring	£334,000	£95,420	£0	£95,420	£95,420	£0	£95,420	£79,000	£159,580	£228,420
RC080 - Review and re-size overall council staffing beyond those listed elsewhere.	£8,500,000	£222,060	£543,235	£765,295	£222,060	£543,235	£765,295	£1,290,196	£6,444,509	£1,192,783
RC081 - Senior Management review	£710,000	-£13,280	£149,050	£135,770	£13,280	£169,750	£183,030	£39,947	£487,023	£388,950
RC082 - Review and re-size staffing in executive support across the council.	£50,000	£0	£25,242	£25,242	£0	£25,242	£25,242	£0	£24,758	£33,890
RC083 - Review and secure cost reductions in the pooled training budget	£50,000	£0	£32,580	£32,580	£0	£32,580	£32,580	£0	£17,420	£23,030
RC085 - Reduce Third Party Spend. The proposal is to identify opportunities to reduce third party spend in a sustainable, recurrent way .	£1,267,600	£0	£0	£0	£0	£0	£0	£92,420	£1,175,180	£0
RC086 - Efficiency Savings across all areas of the Council, including paying attention to securing reduced carbon emissions within the supply chain.	£12,400,000	£52,180	£287,325	£339,505	£402,180	£322,325	£724,505	£0	£11,675,495	£1,414,743
SC002 - Review education transport arrangements - changes to policy (mainstream and SEND)	£350,000	£27,000	£323,000	£350,000	£27,000	£323,000	£350,000	£0	£0	£350,000
SC003 - Review education transport arrangements - changes to efficiency and delivery models (mainstream and SEND)	£650,000	£650,000	£0	£650,000	£650,000	£0	£650,000	£0	£0	£650,000
SC004 - Decommission block contract and move to SPOT provision.	£200,000	£0	£200,634	£200,634	£0	£200,634	£200,634	£0	-£634	£200,634
SC005 - Review the development of a solo children's home to enable discussions about a joint funded model with Health. 24/25 and 25/26 only	£400,000	£0	£400,000	£400,000	£0	£400,000	£400,000	£0	£0	£400,000
SC008 - Review staffing and resize the Empty Homes service	£44,650	£26,046	£18,604	£44,650	£26,046	£18,604	£44,650	£0	£0	£44,650
SC010 - Service efficiencies and increased income from Registrars delivery focus on enhanced venues	£50,000	£0	£0	£0	£0	£0	£0	£50,000	£0	£50,000
SC012 - Reduce from five to three Household Recycling Centres	£14,000	£0	£14,000	£14,000	£0	£14,000	£14,000	£0	£0	£14,000
SC013 - Rationalise property and buildings to secure revenue savings (e.g. utilities, security, repairs and maintenance etc). Use reductions to secure additional capital receipts.	£3,000,000	£0	£0	£0	£0	£500,500	£500,500	£0	£2,499,500	£500,500

SC014 - Review the provision of school crossing patrol service (Schools may opt to pay for the service).	£20,000	£0	£20,000	£20,000	£0	£20,000	£20,000	£0	£0	£20,000
SC018 - Review subscription and secure cost reductions in membership of West Midlands Employers	£30,000	£0	£30,000	£30,000	£0	£30,000	£30,000	£0	£0	£30,000
TO001 - Explore shared emergency planning resource and resilience with partners.	£15,000	£0	£15,000	£15,000	£0	£15,000	£15,000	£0	£0	£15,000
TO002 - Review the use of the UK Shared Prosperity Fund (UKSPF) to maximise grant funding	£60,000	£0	£60,000	£60,000	£0	£60,000	£60,000	£0	£0	£0
TO003 - Review the use of external grant funding for preventative SEND services across the People Directorate.	£50,000	£0	£50,000	£50,000	£0	£50,000	£50,000	£0	£0	£50,000
TO004 - Review funding arrangements and contributions from external sources to higher cost placements	£500,000	£500,000	£0	£500,000	£500,000	£0	£500,000	£0	£0	£0
TO006 - Limit access to the Housing Register for a fixed period to focus upon priority need cases.	£100,000	£0	£0	£0	£0	£0	£0	£100,000	£0	£0
Total	£90,006,406	£8,436,955	£35,497,108	£43,934,063	£10,549,406	£37,436,276	£47,987,977	£2,711,302	£39,307,128	£51,713,293

APPENDIX 4

RECONCILIATION OF MONITORING PROJECTIONS TO SAVINGS DELIVERY

Directorate / Service	Q3 Variance to Budget £'000	Savings pressure in 2024/25 * £'000	Ongoing Pressures Identified £'000	Additional Ongoing Savings Identified £'000	One Off Pressures Identified £'000	One Off Savings Identified £'000
Health & Wellbeing						
Integration & Healthy People – Non-Ringfenced	(407)	0	289	(148)	1,135	(1,683)
Integration & Healthy People - Ringfenced	0	0	0	0	1,782	(1,782)
Health & Wellbeing Total	(407)	0	289	(148)	2,918	(3,466)
People						
Adult Social Care	4,018	3,712	0	0	2,538	(2,233)
Children's & Families	7,538	1,393	6,771	0	4,409	(5,035)
Education & Achievement	1,943	0	3,284	0	47	(1,387)
Shire Services	(35)	0	0	0	0	(35)
Directorate Management	3,881	3,979	0	0	0	(98)
People Total	17,345	9,083	10,055	0	6,995	(8,789)
Place						
Growth & Infrastructure	10,693	8,783	1,561	(123)	1,362	(890)
Homes and Communities	3,948	4,962	380	(2,945)	3,213	(1,663)
Directorate Management	(153)	57	0	0	121	(331)
Place Total	14,487	13,802	1,941	(3,068)	4,696	(2,884)
Resources						
Finance and Technology	1768	2,615	591	0	54	(1,492)
Workforce and Improvement	875	1,301	120	0	7	(553)
Legal and Governance	358	356	426	0	307	(731)
Pensions	2	0	0	0	2	0
Directorate Management	936	790	325	0	0	(37)
Resources Total	3,939	5,062	427	0	370	(2,813)
Strategic Management Board						
Chief Executive and PAs	138	166	0	0	0	(28)
Programme Management	214	0	0	0	214	0
Communications and Customer Services	157	1,316	427	0	4	(1,590)
Strategic Management Board Total	510	1,482	427	0	218	(1,618)
Corporate Budgets	(312)	9,878	0	0	282	(10,472)
Council Total	35,561	39,307	14,174	(3,358)	15,479	(30,042)

APPENDIX 5

AMENDMENTS TO ORIGINAL BUDGET 2024/25

£'000	Total	People	Place	Health & Wellbeing	Resources	Strategic Management Board	Corporate Board
Original Budget as Agreed by Council	261,697	208,153	65,209	349	3,882	186	(16,082)
Structure Changes:							
Quarter 1	0	0	0	0	0	0	0
Virements:							
Quarter 1	0	150	(150)	0	0	0	0
Reallocation of savings target due to movements of Housing Services post budget setting.							
Structure Changes:							
Quarter 2	0	10,901	(18,013)	6,540	36	536	0
Interim council wide restructure	0	10,901	(18,013)	6,540	36	536	0
Virements:							
Quarter 2	0	(735)	191	503	229	(187)	(1)
Single year redistribution of public health grant substitutions	0	(300)	0	500	0	(200)	0
Multi Year transfer of Public Health Grant substitutions	0	(120)	0	120	0	0	0
Allocation of telephone and mobile savings	0	(173)	(55)	(13)	263	(21)	(1)
Staff capitalisation savings reallocation	0	(192)	298	(106)	0	0	0
Staffing adjustments, transfers, restructures etc.	0	50	(52)	2	(34)	34	0
Structure Changes:							
Virements:							
Quarter 3	0	(826)	(311)	(208)	(329)	(69)	1,743
24/25 Pay Award Adjustment	0	(826)	(311)	(208)	(329)	(69)	1,743
Quarter 3 Budget	261,697	217,643	46,926	7,184	3,818	466	(14,340)

APPENDIX 6

RESERVES 2024/25

General Fund

The general fund reserve at 31st March 2024 stood at £8.237m, significantly below its optimum desired balance.

The 2024/25 budget strategy included a contribution of £30.584m to the General Fund balance which would then reach £38.820m, which is a safer level given the current profile of financial risks.

It is essential that the council maintains the General Fund Balance as assumed within the medium term financial strategy, otherwise it would limit the ability of the council to mitigate any further 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 (or 2%-4% of gross revenue).

In the current financial year, maintenance of our level of GFB appears impossible and it is of great concern that the Council appears to have minimal resilience against any unforeseen variances. There is some comfort that this position is slowly improving each month. This position is under constant review with the aim to forecast a higher retention of GFB before year end.

General Fund	£'000
Balance as at 1 st April 2024	8,237
Budgeted Contribution in 2024/25	30,583
Budgeted General Fund Balance as at 31st March	38,820
2024/25 estimated spending above budget (as projected at Q3)	(35,561)
Estimated Balance as at 31 March 2025	3,259

Earmarked Reserves

The council held balances of £28.067m (excluding school balances) in earmarked reserves as at 1st April 2024. There are several transactions planned from earmarked reserves during the course of the year. The current projections for the year-end balance in earmarked reserves is detailed in the table below.

Earmarked Reserves	1 st April 2024	Forecast Net Contribution to/from Reserve	31 st March 2024
	£'000	£'000	£'000
Sums set aside for major schemes, such as capital developments, or to fund major reorganisations	12,274	(2,526)	9,748
Insurance reserves	1,584	(373)	1,211

Earmarked Reserves	1st April 2024	Forecast Net Contribution to/from Reserve	31st March 2024
	£'000	£'000	£'000
Reserves of trading and business units	0	0	0
Reserves retained for service departmental use	12,679	(2,905)	9,774
Reserves held for schools	1,516	(93)	1,423
Total	28,067	(5,896)	22,171

APPENDIX 7

PROJECTED CAPITAL PROGRAMME OUTTURN 2024/25 – 2026/27

The capital budget for 2024/25 is continuously being monitored and changed to reflect the nature of capital projects which can be profiled for delivery over several years. In Quarter 3 the capital budget for 2024/25 was subjected to a detailed review of the position of all projects and reprofiling where required into future years and this will continue in Quarter 4. In Quarter 3 there has been a net budget decrease of £26.163m for 2024/25, compared to position reported at Quarter 2 2024-25. The budget decrease is due to reprofiling of -£36.846m and virements of £10.683m.

Virements in Quarter 3 arose due grant award confirmations of £2.598 (Department for Business, Energy & Industrial Strategy (BEIS) funded Home Upgrade Grant (HUG) 2 scheme £2.433m and UK Shared Prosperity Fund (UKSPF) 0.165m), allocation of capital receipts to the North West Relief Road (NWRR) and Oxon Link Road (OLR) schemes of £3.324m, Private Sector Contributions of £2.779m to the Integrated Community Equipment Loan Service (ICELS) and S106 Developer Contributions of £0.375m to the Affordable Housing Contributions Grant scheme.

Capital schemes within the People and Place directorates and the Housing Revenue Account (HRA) were reprofiled during Quarter 3. In the HRA the New Build Programme, the Temporary Accommodation Programme, the Local Authority Housing Fund (LAHF) Round 2 and the Major Repairs Programme – Social Housing Decarbonisation Fund (SHDF) were reprofiled by £11.689m, £3.154m, £2.800m and £1.000m respectively. In the Place Directorate the following schemes were reprofiled: the NWRR and the OLR schemes £5.770m, the Oswestry HIF Fund £5.000m, the BEIS funded HUG 2 scheme £2.433m, the Whitchurch Swimming & Fitness Centre £2.000m, the Principal Roads Structural Maintenance Programme £1.528m and Flood Defence & Water Management schemes £1.259m.

The tables below summarise the overall movement, between that already approved and changes for Quarter 3.

[Shropshire Council - Capital Programme 2024/25 - 2026/27](#)
[Capital Programme Summary - Quarter 3 2024/25](#)

Directorate	Revised Budget Quarter 2 2024/25 £	Budget Virements Quarter 3 2024/25 £	Revised Budget Quarter 3 2024/25 £	Actual Spend 2024/25 £	Spend to Budget Variance 2024/25 £	% Budget Spend 2024/25	Outturn Projection 2024/25 £	Outturn Projection Variance 2024/25 £	2025/26 Revised Budget £	2026/27 Revised Budget £
General Fund										
Health & Wellbeing	1,568,975	166,999	1,735,974	1,407,927	328,047	81.10%	1,735,974	0	563,706	150,000
People	10,615,101	(1,010,795)	9,604,306	3,546,241	6,058,065	36.92%	9,604,306	0	9,084,750	8,479,287
Place	86,848,745	(6,529,302)	80,319,443	46,647,969	33,671,474	58.08%	80,319,443	0	110,864,393	43,419,781
Resources	100,000	0	100,000	172,233	-72,233	172.23%	100,000	0	0	0
Strategic Management Board	0	165,000	165,000	90,000	75,000	54.55%	165,000	0	0	0
Total General Fund	99,132,821	(7,208,098)	91,924,723	51,864,369	40,060,354	56.42%	91,924,723	0	120,512,849	52,049,068
Housing Revenue Account	37,723,208	(18,954,693)	18,768,515	9,360,479	9,408,036	49.87%	18,768,515	0	18,247,047	20,643,049
Total Approved Budget	136,856,029	(26,162,791)	110,693,238	61,224,848	49,468,390	55.31%	110,693,238	0	138,759,896	72,692,117

The actual capital expenditure at Quarter 3 is £61.225m, which represents 55.31% of the revised capital budget at Quarter 3, 75% of the year. This is low in comparison to the total revised budget, however, as previously noted, further budget reprofiling will be undertaken in Quarter 4, and this, alongside significant expenditure anticipated to be incurred in Quarter 4, will increase the percentage of actual capital expenditure compared to the revised capital budget. All budgets are fully allocated to projects and will be monitored for levels of spend throughout the remainder of the year. Based on recent years, the capital programme has out turned at around 85% of the outturn budget, which on average has been around 20% lower than the budget at this point in the year, due to further re-profiling later in the year.

The level of spend is slightly low across the programme in some areas, but equal to the level of spend in the previous year at this period. In terms of the major areas the spend position is as follows: Health & Wellbeing 81.10% (budget £1.736m), People 36.92% (budget £9.604m), Place 58.08% (budget £80.319m) Resources 172.23% (budget £0.100m), Strategic Management Board 54.55% (budget £0.165m) HRA Major Repairs & New Build Programme 49.87% (budget £18.769m).

Transformation & Improvement Scrutiny 11th February 2025; Cabinet 12th February 2025 – Financial Monitoring Report Quarter 3 2024/25

Directorate Service Area	Revised Budget Quarter 2 2024/25 £	Budget Virements Quarter 3 2024/25 £	Revised Budget Quarter 3 2024/25 £	Actual Spend 2024/25 £	Spend to Budget Variance 2024/25 £	% Budget Spend 2024/25	Outturn Projection 2024/25 £	Outturn Projection Variance 2024/25 £	2025/26 Revised Budget £	2026/27 Revised Budget £
General Fund										
Health & Wellbeing	1,568,975	166,999	1,735,974	1,407,927	328,047	81.10%	0	1,735,974	563,706	150,000
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
Planning Policy Capital	1,048,282	132,387	1,180,669	1,135,542	45,127	96.18%	0	1,180,669	471,486	150,000
Development Management Capital	133,182	34,612	167,794	115,398	52,396	68.77%	0	167,794	40,500	0
Libraries Capital	387,511	0	387,511	156,987	230,524	40.51%	0	387,511	51,720	0
People	10,615,101	-1,010,795	9,604,306	3,546,241	6,058,065	36.92%	0	9,604,306	9,084,750	8,479,287
Adult Social Care Contracts & Provider Capital	0	0	0	0	0	0.00%	0	0	0	0
Adult Social Care Operations Capital	689,715	-150,000	539,715	313,056	226,659	58.00%	0	539,715	150,000	0
Children's Residential Care Capital	299,426	-130,000	169,426	46,960	122,466	27.72%	0	169,426	130,000	0
Non Maintained Schools Capital	1,505,706	1,816,372	3,322,078	729,601	2,592,477	21.96%	0	3,322,078	900,000	0
Primary School Capital	3,892,420	-434,760	3,457,660	2,013,123	1,444,537	58.22%	0	3,457,660	434,827	800,000
Secondary School Capital	61,703	6,835	68,538	36,851	31,687	53.77%	0	68,538	0	0
Special Schools Capital	-1,045	1,176	131	131	0	99.88%	0	131	0	0
Unallocated School Capital	2,376,298	-2,051,576	324,722	0	324,722	0.00%	0	324,722	7,469,923	7,679,287
Primary School Managed Capital	1,727,337	-69,452	1,657,885	387,778	1,270,107	23.39%	0	1,657,885	0	0
Secondary School Managed Capital	52,971	0	52,971	7,561	45,410	14.27%	0	52,971	0	0
Special Schools Managed Capital	10,570	610	11,180	11,180	0	100.00%	0	11,180	0	0
Environment and Transport (Public Transport) Capital	0	0	0	0	0	0.00%	0	0	0	0
Place Capital - Growth & Infrastructure	70,460,913	-10,849,332	59,611,581	28,686,750	30,924,831	48.12%	0	59,611,581	99,699,426	37,884,503
Property & Asset Capital	11,749,913	1,077,312	12,827,225	6,550,849	6,276,376	51.07%	0	12,827,225	21,067,384	7,800,000
Broadband Capital	4,519,432	0	4,519,432	1,397,885	3,121,547	30.93%	0	4,519,432	2,162,045	1,500,000
Growth & Development Capital	11,199,322	-5,025,000	6,174,322	2,535,287	3,639,035	41.06%	0	6,174,322	6,840,112	5,000,000
Highways Capital	42,992,246	-6,901,644	36,090,602	18,202,730	17,887,872	50.44%	0	36,090,602	69,629,885	23,584,503
Environment & Transport Capital	0	0	0	0	0	0.00%	0	0	0	0
Place Capital - Homes & Communities	16,387,832	4,320,030	20,707,862	17,961,219	2,657,723	86.74%	0	20,618,942	11,164,967	5,535,278
Leisure Capital	6,998,240	386,400	7,384,640	7,967,887	-583,247	107.90%	0	7,384,640	5,047,303	633,261
National Landscapes and Outdoor Partnerships Capital	1,011,537	587,346	1,598,883	372,912	1,225,971	23.32%	0	1,598,883	85,018	0
Visitor Economy Capital	79,829	36,033	115,862	91,948	23,914	79.36%	0	115,862	0	0
Housing Services Capital	8,298,226	3,221,331	11,519,557	9,528,472	1,991,085	82.72%	0	11,519,557	6,032,646	4,902,017
Waste Capital	0	0	0	0	0	0.00%	0	0	0	0
Theatre Services Capital	0	88,920	88,920	0	0	0.00%	0	0	0	0
Resources	100,000	0	100,000	172,233	-72,233	172.23%	0	100,000	0	0
ICT Digital Transformation - CRM Capital	100,000	0	100,000	130,308	-30,308	130.31%	0	100,000	0	0
ICT Digital Transformation - ERP Capital	0	0	0	0	0	0.00%	0	0	0	0
ICT Digital Transformation - Infrastructure & Architecture Capital	0	0	0	0	0	0.00%	0	0	0	0
ICT Digital Transformation - Social Care Capital	0	0	0	41,925	-41,925	0.00%	0	0	0	0
ICT Digital Transformation - Unallocated Capital	0	0	0	0	0	0.00%	0	0	0	0
Strategic Management Board	0	165,000	165,000	90,000	75,000	54.55%	0	165,000	0	0
Communications & Engagement Capital	0	165,000	165,000	90,000	75,000	54.55%	0	165,000	0	0
Total General Fund	99,132,821	-7,208,098	91,924,723	51,864,369	40,060,354	56.42%	0	91,924,723	120,512,849	52,049,068
Housing Revenue Account	37,723,208	-18,954,693	18,768,515	9,360,479	9,408,036	49.87%	0	18,768,515	18,247,047	20,643,049
HRA Dwellings Capital	37,723,208	-18,954,693	18,768,515	9,360,479	9,408,036	49.87%	0	18,768,515	18,247,047	20,643,049
Total Approved Budget	136,856,029	-26,162,791	110,693,238	61,224,848	49,468,390	55.31%	0	110,693,238	138,759,896	72,692,117

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APPENDIX 8 PROJECTED CAPITAL RECEIPTS

The capital programme is partly reliant on the Council generating capital receipts from asset sales as a form of funding. The table below summarises the estimated capital receipt position to 2026/27, comparing the current (Q3) forecast with the previous (Q2) forecast.

CAPITAL RECEIPTS	Quarter 2 report			Quarter 3 report			change		
	2024/25	2025/26	2026/27	2024/25	2025/26	2026/27	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Spending									
Spending in the capital programme assumed to be funded from capital receipts	13.1	9.2	4.1	0.2	12.7	8.6	(12.9)	3.5	4.5
Requirement for ring-fenced capital receipts	8.9	23.8		0.2	20.8	4.3	(8.7)	(3.0)	4.3
<i>Voluntary and Compulsory Redundancy costs</i>	13.4			11.1	3.5		(2.3)	3.5	0.0
<i>Transformation costs</i>	7.4			7.8	6.7		0.4	6.7	0.0
<i>Transformation Partner</i>	7.1			7.1	3.0		0.0	3.0	0.0
Transformation costs	27.9	0.0	0.0	26.0	13.2	0.0	(1.9)	13.2	0.0
estimated spending	50.0	33.0	4.1	26.4	46.7	12.8	(23.6)	13.7	8.7
Funding									
Capital receipts brought forward	(15.2)	27.6	60.6	(15.2)	(2.3)	29.3	0.0	(29.9)	(31.3)
Receipts generated to Q3	(1.3)	0.0		(1.7)	0.0		(0.4)	0.0	0.0
Further receipts expected by year end	(5.9)	(0.1)	(0.1)	(11.8)	(15.1)	(0.1)	(5.9)	(15.0)	0.0
estimated capital receipts available	(22.4)	27.5	60.5	(28.7)	(17.4)	29.2	(6.3)	(44.9)	(31.3)
Capital receipts (surplus)/shortfall	27.6	60.6	64.6	(2.3)	29.3	42.0	(29.9)	(31.3)	(22.6)
Fund Analysis									
General Fund (surplus)/shortfall	39.7	63.3	67.3	11.3	34.5	46.0	(28.4)	(28.8)	(21.3)
Housing Revenue Account (surplus)/shortfall	(12.1)	(2.7)	(2.7)	(13.6)	(5.2)	(4.0)	(1.5)	(2.5)	(1.3)
	27.6	60.6	64.6	(2.3)	29.3	42.0	(29.9)	(31.3)	(22.6)

The overall position has changed substantially from the last report. The table above sets out the last reported position and the current update to that. It shows:

- the likely costs to be funded from capital receipts
- the expected level of available receipts
- the surplus or deficit arising and the split of this between the HRA and the General Fund.

Review of projected costs

Review of previous funding assumptions and the updated spending profiles for capital schemes funded through capital receipts has seen a reduction of £12.9m in the expected use of capital receipts within the year, and freeing-up of £8.7m of previously ring-fenced receipts. However, the totals on these lines for Q2 and Q3 indicate that much of this in-year change is related to reprofiling across the period 2024-2027, rather than overall changes in funding.

Additional cost estimates for the likely cost of transformation activity are also now available for 2025/26 and are shown here as part of the Q3 update. The value assumed for transformation costs across the current and the next year now total £39.2m.

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Available receipts

Capital receipts receivable across the period have been increased based on latest information and now amount to £42m across the two years 2024/25 and 2025/26, although there remains a deficit in the final year of the period.

Fund analysis

Analysis of the position between the HRA and the General Fund shows that while the HRA is in surplus through the period shown, the General Fund is in deficit, chiefly due to the pressure arising from transformation costs.

Work is ongoing to ensure that sufficient capital receipts will be available, which may include reducing transformation costs, or revising the profile of those costs across the period.

APPENDIX 9

FINANCIAL MANAGEMENT INDICATORS

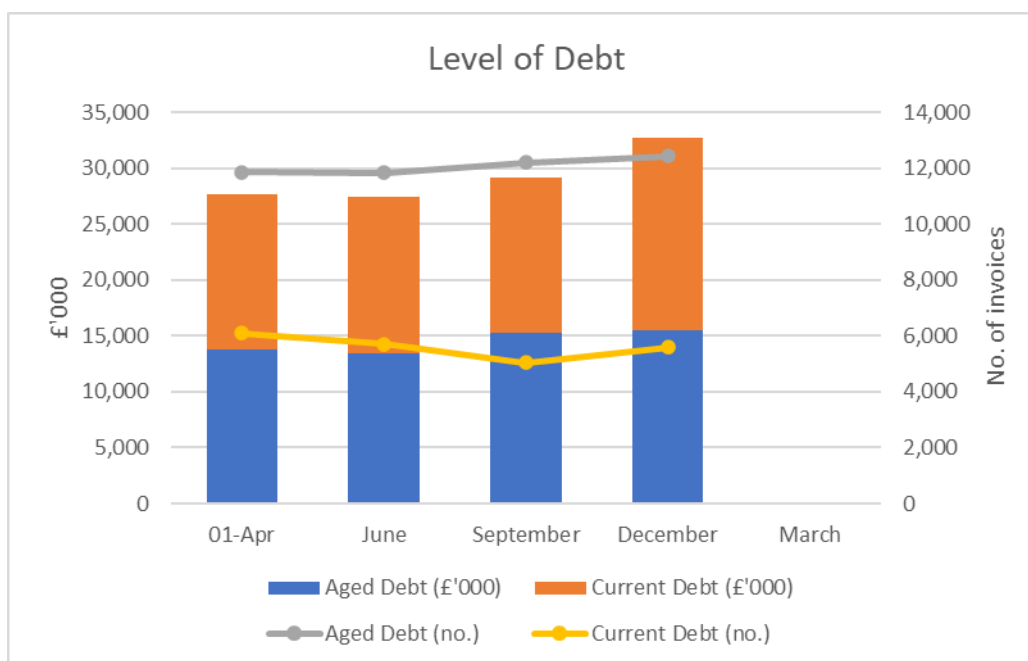
The two financial indicators detailed below will be tracked during the course of the financial year to provide assurance on the Council’s financial management processes.

Payment of Invoices

April – December 2024	% of Invoices	No. of invoices
Paid within 30 days	77.78	92,349
Invoices not paid within 30 days	22.22	26,379
Total	100.00	118,728

Aged Debt

As at 31 st December 2024	Value (£'000)	No. of invoices
Aged Debt	15,478	12,439
Current Debt	17,279	5,599
Total	32,757	18,038



The payment of invoices indicator demonstrates that the council is paying 77.8% of invoices to suppliers within 30 days. This indicator has improved during the third quarter of 2024/25, but there is further work required to improve performance for invoices sent directly to the Payments team for processing as they have a much lower success rate. Ideally, invoices should be raised for payments due to the council within 30 days, and purchase orders for all new supplies should be raised ahead of delivery. Statistics on late submission of invoices and production of

retrospective orders are produced for senior managers so that they can investigate where this is not being done.

The value of aged debt outstanding in the third quarter is relatively consistent with the level in the second quarter. This is despite the level of debt overall increasing which would suggest that measures being taken to prevent debtors converting to aged status is now starting to be effective. This work will continue to progress, and look to start reducing the level of aged debt outstanding in the future.