Public Document Pack

Shropshire Council

Shropshire Council
Legal and Democratic Services
Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND

Date: Wednesday, 19 June 2019
My Ref:
Your Ref:

Committee:
Audit Committee

Date: **Thursday, 27 June 2019**
Time: **1.30 pm**
Venue: **Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND**

You are requested to attend the above meeting.
The Agenda is attached

Claire Porter
Director of Legal and Democratic Services (Monitoring Officer)

Members of Audit Committee

Peter Adams (Chairman)
Ioan Jones
Chris Mellings
Brian Williams (Vice Chairman)
Michael Wood

Your Committee Officer is:

Michelle Dulson Committee Officer
Tel: 01743 257719
Email: michelle.dulson@shropshire.gov.uk

AGENDA

1 Apologies for Absence / Notification of Substitutes

2 Disclosable Pecuniary Interests

Members are reminded that they must not participate in the discussion or voting on any matter in which they have a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

3 Minutes of the previous meetings held on the 25 February 2019 and 16 May 2019 (Pages 1 - 10)

The Minutes of the meetings held on the 25 February 2019 and 16 May 2019 are attached for confirmation.
Contact Michelle Dulson (01743) 257719

4 Public Questions

To receive any questions from the public, notice of which has been given in accordance with Procedure Rule 14.

5 First Line Assurance: Digital Transformation Update

The report of the Director of Workforce and Transformation is to follow.
Contact: Michele Leith(01743) 254402

6 First Line Assurance: Commercial Strategy Update

The report of the Head of Business Enterprise and Commercial Services is to follow.
Contact: Tim Smith (01743) 258676

7 Second Line Assurance: Annual Whistleblowing Report (Pages 11 - 16)

Third Line The report of the Director of Workforce and Transformation is attached.
Contact: Michele Leith (01743) 254402

8 Third Line Assurance: Internal Audit Annual Report 2018/19 (Pages 17 - 42)

The report of the Head of Audit is attached.
Contact: Ceri Pilawski (01743) 257739

9 Overall Assurance: Annual Governance Statement and a Review of the effectiveness of the Council's Internal Controls and Shropshire Council's Code of Corporate Governance 2018/19 (Pages 43 - 96)

The report of the Director of Finance, Governance and Assurance (Section 151 Officer) is attached.
Contact: James Walton (01743 258915)

10 **Second Line Assurance: Financial Outturn Report 2018/19** (Pages 97 - 154)

The report of the Director of Finance, Governance and Assurance (Section 151 Officer) is attached.
Contact: James Walton (01743 258915)

11 **Second Line Assurance: Approval of the Council's Statement of Accounts 2018/19** (Pages 155 - 168)

The report of the Director of Finance, Governance and Assurance (Section 151 Officer) is attached.
Contact: James Walton (01743 258915)

12 **Third Line Assurance: Annual Review of Internal Audit, Quality Assurance and Improvement Programme (QAIP) 2018/19** (Pages 169 - 180)

The report of the Director of Finance, Governance and Assurance (Section 151 Officer) is attached.
Contact: James Walton (01743 258915)

13 **Third Line Assurance: Annual Assurance Report of Audit Committee to Council 2018/19** (Pages 181 - 196)

The report of the Director of Finance, Governance and Assurance (Section 151 Officer) is attached.
Contact: James Walton (01743 258915)

14 **Third Line Assurance: External Audit: Pension Fund Audit Plan 2018/19** (Pages 197 - 212)

The report of the Engagement Lead is attached.
Contact: Richard Percival (0121) 232 5434

15 **Third Line Assurance: External Audit: Audit Fee Letter** (Pages 213 - 218)

The report of the Engagement Lead is attached.
Contact: Richard Percival (0121) 232 5434

16 **Third Line Assurance: External Audit: Audit Progress Report and Sector Update** (Pages 219 - 232)

The report of the Engagement Lead is attached.
Contact: Richard Percival (0121) 232 5434

17 Date and Time of Next Meeting

The next meeting of the Audit Committee will be held on Tuesday 29 July 2019 at 1.30 pm.

18 Exclusion of Press and Public

To RESOLVE that in accordance with the provision of Schedule 12A of the Local Government Act 1972, Section 5 of the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations and Paragraphs 2, 3 and 7 of the Council's Access to Information Rules, the public and press be excluded during consideration of the following items.

19 Exempt Minutes of the previous meeting held on 25 February 2019 (Pages 233 - 234)

The Exempt Minutes of the meeting held on the 25 February 2019 are attached for confirmation.
Contact Michelle Dulson (01743) 257719

20 First Line Assurance: Theatre Severn Update (Exempted by Categories 1, 2 and 3)

The report of the Interim Head of Culture and Heritage is to follow.
Contact: Clare Fildes (01743 255067)

21 Internal Audit: Fraud, Special Investigation and RIPA Update (Exempted by Categories 1, 2, 3, 5 and 7) (Pages 235 - 238)

The report of the Principal Auditor is attached.
Contact: Peter Chadderton (01743) 257727

Committee and Date
Audit Committee
27 June 2019

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 25 FEBRUARY 2019
1.30 - 3.35 PM

Responsible Officer: Michelle Dulson
Email: michelle.dulson@shropshire.gov.uk Tel: 01743 257719

Present
Councillor Peter Adams (Chairman)
Councillors Ioan Jones, Chris Mellings, Brian Williams (Vice Chairman) and Michael Wood

67 **Apologies for Absence / Notification of Substitutes**

67.1 No apologies for absence/notification of substitutes had been received.

68 **Disclosable Pecuniary Interests**

68.1 The Chairman reminded Members that they must not participate in the discussion or voting on any matter in which they have a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

69 **Minutes of the previous meeting held on the 6 December 2018**

69.1 **RESOLVED:**

That the minutes of the meeting held on 6 December 2018 be approved and signed by the Chairman as a correct record.

70 **Public Questions**

70.1 No public questions had been received.

71 **First Line Assurance: Digital Transformation Programme update**

71.1 The Committee received the report of the Director of Workforce and Technology – copy attached to the signed Minutes – which provided Members with an update on each of the Projects within the Digital Transformation Programme.

71.2 In relation to the Social Care Project the Director of Workforce and Technology confirmed that the Children's modules had gone live in Liquidlogic that Monday and

were working well. In relation to the Customer Experience Project, My Shropshire Live was due to go live the following week. The Director of Workforce and Technology informed the meeting that a dress rehearsal for the new ERP was currently under way and was on track to go live on 1 April 2019. She confirmed that the gap in the feedback loop had been closed to ensure that what was agreed by the Governance Assurance Team was fed back to the Board.

71.3 In response to comments by Members about complaints received from members of the public who could not get in touch with the correct person, the Director of Workforce and Technology confirmed that Webchat and the MyShropshire portal would resolve this issue as calls could be tracked by the system, which was automated, allowing progress to be reported back. She confirmed that it was hoped that the Members' portal would go live in October.

71.4 In response to a query, the Director of Workforce and Technology confirmed that although the main tranche of the ERP would go live on 1st April, some modules were still to be written. She assured the Committee however that the Business Case would be fulfilled but that it would take time. Further updates would be reported to future meetings of the Audit Committee. She was pleased to inform Members that Shropshire Council's IT function was no longer a strategic risk.

71.5 Members were concerned that it would be extremely challenging for the Council to achieve those savings required, following a report to Cabinet which indicated that this was the main risk the Council now faced. In response, the Director of Workforce and Technology confirmed that £1.7m savings were already in place for 2019/20 and had been delivered early. Further savings, potentially bringing the total to £9m, were not due until the following financial year.

71.6 **RESOLVED:**

To note the progress that each of the projects within the programme are making and the mitigations that are being put in place to address the issues within each work stream.

72 **Second line assurance: Treasury Strategy**

72.1 The Committee received the report of the Director of Finance, Governance and Assurance (Section 151 Officer) – copy attached to the signed Minutes – which proposed the Treasury Strategy for 2019/20 and recommended Prudential and Treasury Indicators for 2019/20 to 2021/22.

72.2 The Director of Finance, Governance and Assurance (Section 151 Officer) informed the Committee that the Council was now required to produce a Capital Strategy report by 31 March 2019 which would help to inform the Treasury Strategy and Capital Programme. He drew Members attention to the key points set out at paragraph 1.1 and the increase in the bank base rate, the Council's loans to two Housing Associations and the Council's purchase of the Shrewsbury Shopping Centres which had all been taken into account when proposing the Treasury Strategy.

72.3 In response to a query, the Director of Finance, Governance and Assurance (Section 151 Officer) confirmed that the Council's borrowing had been taken out at a fixed rate

so the Council had no variable rate external debt. In response to a further query in relation to funding for the North West Relief Road, the Director of Finance, Governance and Assurance (Section 151 Officer) explained that this would link into the Capital Strategy and he explained how the Council decided when borrowing was required.

72.4 The Director of Finance, Governance and Assurance (Section 151 Officer) explained that the Council's risk appetite was more concerned with security rather than with yield. He reported that cash balances were expected to drop over the next twelve months. In response to a query the Director of Finance, Governance and Assurance (Section 151 Officer) reported that following a cut in the base rate he would expect return on investments to fall. However, he informed the Committee that several risk factors had been built in to limit the impact.

72.5 In response to a query, the Director of Finance, Governance and Assurance (Section 151 Officer) explained that £5-10m of the Council's loans would be paid off in the next 2-3 years. He stated that as the Council had very healthy cash balances, when debts were maturing the Council was not having to refinance. However, if the Capital Strategy was delivered and the Council started spending millions of pounds, the cash balances would see a hit and more money would have to be borrowed.

72.6 A member queried whether it would be worth having an Equity Protection Plan in place to limit the loss to the Council. In response, the Director of Finance, Governance and Assurance (Section 151 Officer) explained that risk-adjusted returns were expected in the short term from the current strategy and that the cost of managing an increased risk would likely outweigh any potential returns.

72.7 **RESOLVED:**

That the Treasury Strategy 2019/20 be endorsed.

73 **Second line assurance: Strategic Risks Update**

73.1 The Committee received the report of the Risk and Insurance Manager – copy attached to the signed Minutes – which set out the current strategic risk exposure following completion of the December 2018/January 2019 quarterly review.

73.2 The Risk and Insurance Manager informed the Committee that there were currently 16 strategic risks, with changes to the scoring having been made for six of the risks, two scores increasing and four reducing, as set out in Paragraph 3.7 of the Report. The Risk and Insurance Manager reported that the next review would begin in March when the target scores would be looked at to see whether the targets would be achieved by year end.

73.3 In response to a query, the Risk and Insurance Manager explained that the review looked at the current risk, whether controls had been put in place and whether it achieved its target score by year end. The Risk Register was updated quarterly and the year end report showed the direction of travel and whether this was as anticipated. The Risk and Insurance Manager reminded Members that they could call in any risk in further detail if they had any concerns.

73.4 If the Risk and Insurance Manager had any concerns, these would be raised with the Director of Finance, Governance and Assurance (Section 151 Officer) for discussion with Directors and would change assurance levels if they were not comfortable.

73.4 In response to a query in relation to the Commercial Strategy, the Director of Finance, Governance and Assurance (Section 151 Officer) explained that the risk was shared by the Management Team as they were aware that it needed to be managed more robustly and additional controls had been identified and were in place. The Head of Audit explained that this was where the three lines of defence lined up and where they did not, the Audit Committee should challenge them.

73.5 **RESOLVED:**

That the position as set out in the report be accepted.

74 Governance Assurance: Draft Audit Committee annual work plan and future training requirements

74.1 The Committee received the report of the Head of Audit – copy attached to the signed Minutes – which provided a proposed Audit Committee work plan and sought discussion and agreement around a learning and development plan for Members to ensure they were well informed and appropriately skilled to fulfil their role.

74.2 The Head of Audit drew Members' attention to the workplan attached at Appendix A and the proposed amendments contained therein, for which approval was sought, highlighted in bold and underlined. Members' attention to Paragraph 5.5 which set out those topics covered by training during 2018/19 and she confirmed that provisional dates for training during 2019/20 had been circulated to Members of the Committee.

74.4 In response to a query in relation to the Council's property portfolio, it was confirmed that the Audit Committee could review the internal control environment and how robust the processes were but it was for the relevant Scrutiny Committee to assess performance. The Section 151 Officer explained that performance of the three Shrewsbury Shopping Centres was monitored through Cabinet.

74.5 **RESOLVED:**

a) That the Audit Committee work plan for 2019/20 be approved.

b) That a learning and development plan for members of the Committee taking into account information in Appendices A and B be approved.

75 Third line assurance: Report of the Audit Review of Risk Management

75.1 The Committee received the report of the Principal Auditor – copy attached to the signed Minutes – which summarised the detailed findings identified in the Internal Audit review of Risk Management. He informed the Committee that the overall control environment for the Risk Management system had been assessed as good, the highest rating that could be given and that no control weaknesses had been identified.

75.2 **RESOLVED:**

That the findings from the review of Risk Management by Internal Audit be endorsed.

76 **Third line assurance: Internal Audit performance report and revised Annual Audit Plan 2018/19**

76.1 The Committee received the report of the Head of Audit – copy attached to the signed Minutes – which provided Members with an update of work undertaken by Internal Audit in the three months since the previous Audit Committee report.

76.2 The Head of Audit informed the Committee that 77% of the revised plan had been achieved, which was slightly lower than in previous years however the team was on target to deliver 90% of the plan by year end. She drew Members' attention to the Audits completed since November, the Assurance levels awarded and the overall spread of recommendations set out in Paragraphs 5.8, 5.9 and 5.10 respectively. The unsatisfactory and limited assurance opinions were set out in table 3 of the report.

76.3 In response to a query, the Head of Audit reported that her role with the Midlands Heads of Internal Audit Group did not significantly impact on her work and consisted of two days annually. However the benefits of networking and training and development opportunities far outweighed any impact.

76.4 The Head of Audit requested that if Members had any queries in relation to the unsatisfactory and limited assurance opinions, set out at Table 3 of the report (page 113) to let her know and she would seek a response from the relevant Manager. Members requested that the Manager with responsibility for the Commercial Strategy be invited to a future meeting of the Audit Committee to give an update and provide assurance.

76.5 **RESOLVED:**

A) That the performance to date against the 2018/19 Audit Plan set out in this report be endorsed and that the action to be taken by the Audit Committee in response to the low assurance levels and the residual control environment, delivery against the fundamental recommendation and where a recommendation has been rejected, as detailed in the report, be noted.

B) That the adjustments required to the 2018/19 plan to take account of changing priorities set out in **Appendix B** be endorsed.

C) That the Manager with responsibility for the Commercial Strategy be invited to a future meeting of the Audit Committee to give an update and provide assurance.

77 **Third Line Assurance: Draft Annual Internal Audit risk based plan 2019/20**

77.1 The Committee received the report of the Head of Audit – copy attached to the signed Minutes – which provided Members with the proposed risk based Internal Audit Plan for 2019/20. The Head of Audit drew attention to the summarised Internal

Audit Plan set out at Appendix A which confirmed that 1,600 days had been planned for Shropshire Council audit work and 228 days for external clients.

77.2 The Head of Audit also drew attention to Appendix B, which set out those audit areas of high priority for which no provision had been made in this year's internal audit plan, and Appendix C which shows those low risk areas that would not be considered for review by Internal Audit on a rolling basis.

77.3 In response to a query, the Head of Audit explained how the reducing resources within the Council had impacted upon the work of the Internal Audit team and she informed Members that external resources had been used in 2018/19 to support the internal team. In 2019/20 external resources will not be used to deliver the plan, but it had been decided that this could be looked at any time during the year if she was not confident of achieving 100% of the plan within the resources currently available.

77.4 **RESOLVED:**

That the approach taken to create the proposed Internal Audit Plan for 2019/20 be endorsed and that its adoption be approved.

78 **Third line assurance: External Audit, Audit progress report and sector update**

78.1 The Committee received the report of the External Auditor – copy attached to the signed Minutes – which provided Members with a report on progress together with a summary of emerging national issues and developments which may be of relevance to the Council.

78.2 The External Auditor drew attention to the additional fee of £12,265 for additional work undertaken in relation to the audit of the shopping centres which had now been agreed by the PSAA (Public Sector Audit Appointments). He reported that interim work on the audit was in progress and that no issues had been identified. He confirmed that the value for money risk assessment of financial resilience had been undertaken, however work on the Pooling of Capital Receipts claim had not yet been completed.

78.3 Turning to the Sector update, the External Auditor highlighted the PSAA report on the results of auditors' work for 2017/18 which showed that 87% of local authorities received an audit opinion by the new accounts publication date, whilst 7% received a qualified value for money conclusion.

78.4 The External Auditor also drew attention to the National Audit Office local auditor reporting and local authority governance reports along with the Institute of Chartered Accountants in England and Wales (ICEAW) expectations gap report.

78.5 **RESOLVED:**

That the contents of the report be noted.

79 **Third line assurance: External Audit, Audit plan**

79.1 The Committee received the report of the External Auditor – copy attached to the signed Minutes – which provided an overview of the planned scope and timing of the statutory audit of Shropshire Council for those charged with governance.

79.2 In response to a query, the External Auditor explained the concept of materiality as Members felt it was extremely high. The External Auditor stated that materiality was set at 2% of the Council's forecast gross expenditure for the year. In relation to IP&E, the External Auditor explained that the accounts for this dormant company were being closed and it was hoped to complete this in the next financial year.

79.3 **RESOLVED:**

That the Audit Plan for Shropshire Council be noted.

80 **Third line assurance: External Audit, Follow up of Recommendations**

80.1 The Committee received the report of the External Auditor – copy attached to the signed Minutes – which provided an overview of the post-audit Action Plan for Shropshire Council.

80.2 The External Auditor drew Members' attention to the first three recommendations and management responses, which related to work carried out in the previous financial year. In response to a query in relation to recommendation 6, the Director of Finance, Governance and Assurance (Section 151 Officer) explained that IT literacy tests had been developed along with an E-learning test to identify specific problems with the level of IT literacy in staff and that a lot of resource had been put aside to train staff to levels to use the system and as the system evolved, training would continue.

80.3 **RESOLVED:**

That the contents of the report be noted.

81 **Third line assurance: External Audit, Informing the risk assessment**

81.1 The Committee received the report of the External Auditor – copy attached to the signed Minutes – which contributed towards the effective two-way communication between auditors and the Council's Audit Committee, as 'those charged with governance'.

81.2 The External Auditor drew Members' attention to the responses received from the Council's management to the questions raised on those areas where External Audit were required to gain an understanding of management processes and the Audit Committee's oversight of those areas. The Committee confirmed that they were comfortable with the management responses.

81.3 **RESOLVED:**

That the contents of the report be noted.

82 **Date and Time of Next Meeting**

82.1 Members were reminded that the next meeting of the Audit Committee would be held on the 27 June 2019 at 1.30pm.

83 **Exclusion of Press and Public**

83.1 **RESOLVED:**

That in accordance with the provisions of Schedule 12A of the Local Government Act 1972 and paragraph 10.2 of the Council's Access to Information Procedure Rules, the public and press be excluded during consideration of the following items as defined by the categories specified against them.

84 **Exempt Minutes of the previous meeting held on the 6 December 2018 (Exempted by Categories 1, 2, 3, 5 and 7)**

84.1 **RESOLVED:**

That the exempt minutes of the meeting held on 6 December 2018 be approved and signed by the Chairman as a correct record.

85 **Third Line Assurance: Fraud and Special Investigation Update (Exempted by Categories 1, 2, 3, 5 and 7)**

85.1 The Committee received the exempt report of the Principal Auditor – copy attached to the exempt signed Minutes – which provided a brief update on current fraud and special investigations undertaken by Internal Audit and the impact these have on the internal control environment, together with an update on current Regulation of Investigatory Powers Act (RIPA) activity.

85.2 **RESOLVED**

That the contents of the report be noted.

Signed ..... (Chairman)

Date: .....

Shropshire Council

Committee and Date

Audit Committee

27 June 2019

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 16 MAY 2019

Responsible Officer: Michelle Dulson
Email: michelle.dulson@shropshire.gov.uk Tel: 01743 257719

Present
Councillor Peter Adams (Chairman)
Councillors Ioan Jones, Chris Mellings, Brian Williams (Vice Chairman) and Michael Wood

1 **Election of Chairman**

It was proposed, seconded and duly

RESOLVED: That Councillor Peter Adams be elected Chairman for the ensuing municipal year.

2 **Apologies**

No apologies were received.

3 **Appointment of Vice-Chairman**

It was proposed, seconded and duly

RESOLVED: That Councillor Brian Williams be appointed Vice-Chairman for the ensuing municipal year.

4 **Date and Time of Next Meeting**

RESOLVED: That it be noted that the next scheduled meeting be held on Thursday 27 June 2019 at 1.30 pm.

Signed ..... (Chairman)

Date: .....

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Committee and Date	Item
Audit Committee 27 June 2019	8

2018/2019 Review of Whistleblowing - 'Speaking Up About Wrongdoing'

Responsible Officer Michele Leith, Director of Workforce & Transformation
e-mail: Michele.leith@shropshire.gov.uk Tel: 01743 254402

1. Summary

The Whistleblowing process provides arrangements to enable employees, elected members, contractors and others to raise concerns about fraud, corruption, adult/child protection or harassment and bullying allegations.

This report provides an update to the Shropshire Council Audit Committee on the number of cases raised including Council employees over the last year (excluding school-based employees).

2. Recommendations

The Audit Committee is asked to:

a. Consider and approve, with appropriate comments on the contents of the report.

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1 The Council has in place an effective Counter Fraud, Bribery and Anti-Corruption Strategy. The Council proactively encourages the detection of fraud and irregularities and the appropriate management of them. The Whistleblowing policies contribute to our zero tolerance of fraud, bribery and corruption.

3.2 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998. There are no direct environmental, equalities, consultation or climate change consequences of this proposal.

4. Financial Implications

4.1 The management and investigation of issues raised in response to this policy are met from approved budgets.

5. Background

5.1 This is an annual report to Audit Committee on whistleblowing arrangements.

5.2 The Whistleblowing Policy is available to all staff via the Intranet pages and is also available to them, along with members, contractors, partners and the public, via the website; allowing it to be accessed from any computer. This is particularly important as it allows staff to access the policy outside of a work environment, where they may be reluctant to be seen accessing the Whistleblowing policy.

5.3 Whistleblowing is when a worker reports suspected wrongdoing at work. Officially this is called 'making a disclosure in the public interest'. A worker can report things that aren't right, are illegal or if anyone at work is neglecting their duties, including:

- someone's health and safety is in danger
- damage to the environment
- a criminal offence
- the company isn't obeying the law (like not having the right insurance)
- covering up wrongdoing.

5.4 The way a worker can 'blow the whistle' on wrongdoing depends on whether they feel they can tell their employer.

1. The worker should check their employment contract or ask Human Resources if their company has a whistleblowing procedure.
2. If they feel they can, they should contact their employer about the issue they want to report.
3. If they can't tell their employer, they should contact a prescribed person or body.

5.5 A worker can only tell the prescribed person or body if they think their employer:

- will cover it up
- would treat them unfairly if they complained
- hasn't sorted it out and they've already told them

5.6 <u>Dismissals and whistleblowing</u>

A worker can't be dismissed because of whistleblowing. If they are, they can claim unfair dismissal. They'll be protected by law as long as certain criteria are met.

5.7 <u>Types of whistleblowing eligible for protection</u>

These are called 'qualifying disclosures'. They include when someone reports:

- that someone's health and safety is in danger
- damage to the environment
- a criminal offence
- that the company isn't obeying the law (like not having the right insurance)
- that someone's covering up wrongdoing
- a miscarriage of justice

5.8 Who is protected?

The following people are protected:

- employees
- agency workers
- people that are training with an employer, but not employed
- self-employed workers, if supervised or working off-site

An individual is also protected if they work in a school or sixth-form college, whether an employee or an agency worker. NHS workers who work under certain contractual arrangements, e.g. certain GPs and dentists, are also protected.

A worker will be eligible for protection if:

- they honestly think what they're reporting is true
- they think they're telling the right person
- they believe that their disclosure is in the public interest

5.9 Who isn't protected?

Workers aren't protected from dismissal if:

- they break the law when they report something, e.g. they signed the Official Secrets Act
- they found out about the wrongdoing when someone wanted legal advice ('legal professional privilege'), e.g. if they're a solicitor

Workers who aren't employees can't claim unfair dismissal because of whistleblowing, but they are protected and can claim 'detrimental treatment'.

5.10 Tribunals

Workers dismissed for whistleblowing can go to an employment tribunal or an industrial tribunal in Northern Ireland.

If the tribunal decides the employee has been unfairly dismissed, it will order that they are:

- reinstated (get their job back)
- paid compensation

A tribunal judge can reduce any compensation awarded by 25% if they find the person has acted dishonestly.

A whistleblower who is bullied at work will also be able to bring a claim to the employment tribunal against their employer or colleagues.

6. 2018/19 Whistleblowing Reports

In 2018/19, there were 33 cases reported under the whistleblowing arrangements for Shropshire Council. Details on the allegations received and outcome are shown below. Of those 33, 6 were relating to employees. 18 resulted in 'No case to answer' and 10 resulted in 'not enough evidence to proceed or 'dealt with under another policy'.

2018/19 Whistleblowing Reports

Route in	Allegation	Procedure used	Outcome
Verbal	Running a business and completing DIY when supposed to be at work.	No Investigation	Not enough information to investigate
Verbal	Contract dispute	Management Investigation	NCTA[1]
Verbal	Housing allocation	Management Investigation	NCTA
Verbal	Breach of Smoking Policy	Management Investigation	No formal sanction
Written	Housing allocation	No Investigation	Dealt with as complaint
Written	Inappropriate use of funds	Audit Investigation	NCTA
Written	Land sale corruption	Management Investigation	NCTA
Written	Grant misuse	Audit Investigation	NCTA for Shropshire Council (SC)
Written	Grant misuse	Audit Investigation	NCTA for SC
Verbal	Time abuse	Audit Investigation	Employee Dismissed
Verbal	Data breach	Audit Investigation	Dismissed
Written	Drinking whilst on call	Management Investigation	NCTA
Written	Fraudulent use of home address	Person referred to the Police.	NCTA
Verbal	Safeguarding concern	No investigation	Passed onto

[1] NCTA No case to answer

Route in	Allegation	Procedure used	Outcome
			safeguarding
Verbal	Not paying for printing	Employee was not Shropshire Council's	NCTA
Verbal	Data breach	Audit Investigation	Employee dismissed and reinstated
Verbal	Fraud	Management Investigation	NCTA
Written	Personal data request	No investigation	Passed to FOI[2]
Verbal	Benefit fraud	No investigation	Passed to SFIS[3]
Verbal	Housing allocation	Management Investigation	NCTA
Written	Planning officer collusion	Management review	NCTA
Written	Missed call	No investigation	NCTA
Verbal	Telephone fraud	Audit Investigation	NCTA for SC
Verbal.	Planning application fraud	Management Investigation	NCTA
Written	Charity fraud	Details passed to Police via Action Fraud	NCTA for SC
Verbal	Hoax call	No Investigation	NCTA
Written	Planning issue	No Investigation	Dealt with as complaint
Verbal	Benefit fraud	No investigation	Passed to SFIS
Written	Safeguarding concern	No investigation	Passed onto safeguarding
Written	Pot holes	No Investigation	Dealt with as complaint
Written	Misuse of direct payment	Management Investigation	Funds recovered
Verbal	Theft	Management Investigation	Resigned
Written	Theft	Management Investigation	NCTA

[1] NCTA No case to answer
[2] FOI -Freedom of Information
[3] SFIS – Single Fraud Investigation Service (Department of Work and Pensions)

7. Comparison to previous years

7.1 We have seen a 51% increase in number of incidents reported than in the preceding years. In 2017/18 the majority of those allegations were relating to finance abuse and fraud. This year we have seen a variety of different type of concerns from fraud, pot holes to housing allocations.

7. Conclusion

7.1 The 'Speaking up about Wrongdoing' process forms a key element of the Council's Corporate Governance arrangements and is continuing to be a route

[2] FOI -Freedom of Information
[3] SFIS – Single Fraud Investigation Service (Department of Work and Pensions)

employees use to raise concerns, as well as a route which is also open to elected members, contractors, partners and others.

List of background papers (This MUST be completed for all reports but does not include items containing exempt or confidential information) – None
Cabinet Member (Portfolio Holder) Peter Nutting (Leader of the Council) and Peter Adams (Chair of Audit Committee)
Local Member- N/A

Committee and Date	Item
Audit Committee	
27 June 2019	
13:30pm	Public

INTERNAL AUDIT ANNUAL REPORT 2018/19

Responsible Officer Ceri Pilawski
e-mail: ceri.pilawski@shropshire.gov.uk Telephone: 01743 257739

1. Summary

This annual report provides members with details of the work undertaken by Internal Audit for the year ended 31 March 2019. It informs on delivery against the approved annual audit plan and includes the Head of Audit's opinion on the Council's internal controls, as required by the Public Sector Internal Audit Standards (PSIAS). This in turn, contributes to delivering the Accounts and Audit Regulations 2015 requirement to have internal audit, 'evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.

Final performance has been good with the revised plan being delivered more than the 90% delivery target, in compliance with the Public Sector Internal Audit Standards and to the satisfaction of customers. Forty-two good and reasonable assurances were made in the year accounting for 67% of the opinions delivered. This represents a 3% increase in the higher levels of assurance compared to the previous year, offset by a 3% decrease in limited and unsatisfactory opinions.

Based on the Internal Audit work undertaken and management responses received; I can offer ***reasonable assurance*** for the 2018/19 year that the Council's framework for governance, risk management and internal control is sound and working effectively.

Generally, risks are well managed but some areas require the introduction of, compliance with or improvement to internal controls to ensure the achievement of the Council's objectives. 2018/19 has been a challenging year given the level of key fundamental line of business system changes delivered (social care, customer services, financial and human resources) and the embedding of these continues. Alongside the challenge to deliver savings and increase income (Commercial and Digital Transformation).

2. Recommendations

The Committee is asked to consider and endorse, with appropriate comment;

a) Performance against the Audit Plan for the year ended 31 March 2019.

b) That Internal Audit have evaluated the effectiveness of the Council's risk management, control and governance processes, taking into account public sector internal auditing standards or guidance, the results of which can be used when considering the internal control environment and the Annual Governance Statement for 2018/19.

c) The Head of Audit's ***reasonable assurance,*** year end opinion, that the Council's framework for governance, risk management and internal control is sound and working effectively for 2018/19 based on the work undertaken and management responses received.

REPORT

3. Risk assessment and opportunities appraisal

3.1 The delivery of a risk based Internal Audit Plan is an essential part of ensuring probity and soundness of the Council's financial and risk management systems and procedures, and is closely aligned to the Council's strategic and operational risk registers. The Plan is delivered in an effective manner; where Internal Audit independently and objectively examine, evaluate and report on the adequacy of its customers' control environments as a contribution to the proper, economic, efficient and effective use of resources. It provides assurances on the internal control systems, by identifying areas for improvement or potential weaknesses, and engaging with management to address these in respect of current systems and during system design. Failure to maintain robust internal control creates an environment where poor performance, fraud, irregularity and inefficiency can go undetected, leading to financial loss, poor value for money and reputational damage.

3.2 Internal Audit operates a strategic risk based plan. The plan is revisited each year to ensure that suitable audit time and resources are devoted to reviewing the more significant areas of risk. This results in a comprehensive range of audits being undertaken in the year, supporting the overall opinion on the control environment. The plan contains a contingency provision which can be utilised during the year to respond to unforeseen work demands that may arise, i.e. special investigations and advice.

3.3 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998 and the Accounts and Audit Regulations 2015. There are no direct environmental, equalities or climate change consequences of this proposal.

3.4 Internal Audit customers are consulted on the service that they receive. Feedback is included in this report and continues to be very positive.

4. Financial implications

4.1 The Internal Audit plan is delivered within approved budgets; the work of Internal Audit contributes to improving the efficiency, effectiveness and economic management of the wider Council and its associated budgets.

5. Background

5.1 This report is the culmination of the work of the Internal Audit team during 2018/19 and seeks to provide:

- An update on the internal audit work undertaken.
- An annual opinion on the adequacy of the Council's governance arrangements.
- Information on the performance of Internal Audit including results of the quality and assurance programme and progress against the improvement plan.

5.2 As the Accountable Officer, the Director of Finance, Governance and Assurance (Section 151 Officer) has responsibility for maintaining a sound system of internal control that supports the achievement of the Council's policies, aims and objectives, whilst safeguarding the Council's assets, in accordance with local government legislation. This includes section 151 of the Local Government Act 1972 which requires the Council to plan for the proper administration of its financial affairs.

5.3 The Accounts and Audit Regulations 2015 require the Council to have internal audit to; 'evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'. In addition, organisations are no longer required to undertake an annual review of effectiveness, although audit committees should note the requirements of the Public Sector Internal Audit Standards to maintain an ongoing programme of quality assessment and improvement.

Scope and purpose of Internal Audit

5.4 The Public Sector Internal Audit Standards define the scope of the annual report on internal audit activity. The annual report should include an assessment as to the extent to which compliance with the Standards has been achieved. This annual report provides an internal audit opinion that can be used by the Council to inform its governance statement as part of the wider framework of assurances considered. The annual internal audit opinion concludes on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control and incorporates a summary of the work in support of the opinion, a statement on conformance with the PSIAS and the results of the quality assurance and improvement programme. This is in accordance with the requirements of the 2015 Accounts and Audit Regulations. In addition, Internal Audit has an independent and objective consultancy role to help line managers improve governance, risk management and control.

5.5 The purpose of Internal Audit is to provide the Council, through the Audit Committee, the Chief Executive and the Section 151 Officer, with an independent and objective opinion on risk management, control and governance processes and their effectiveness in achieving the Council's agreed objectives.

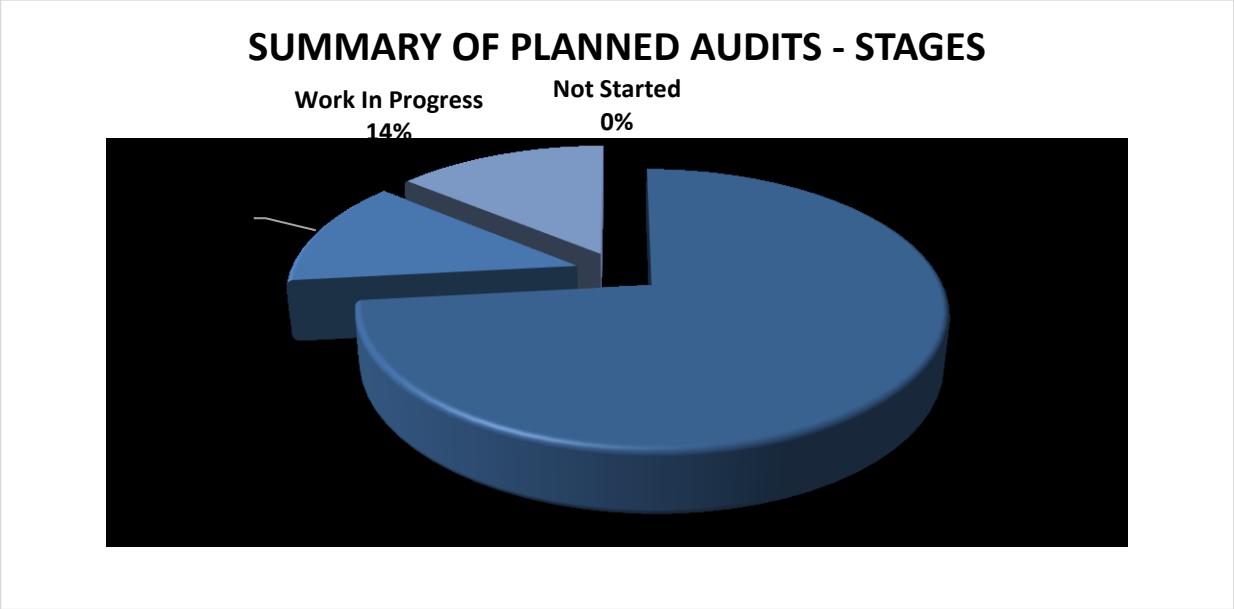
Internal Audit work undertaken

5.6 The Internal Audit Plan 2018/19 was considered and approved by Audit Committee at its meeting on the 1 March 2018. The Plan provided for a total of 2,256 days. Revisions throughout the year to reflect changing risks and resources were reported to Audit Committee and the plan revised to a target of 1,710 days. Revisions were necessary following adjustments in risk, more complex and sensitive reviews, a continuing reduction in resources and delivery of additional work for external clients.

5.7 The Head of Audit can confirm that the service has been free from interference throughout the year. Final performance has been good and the target to deliver 90% of the annual plan has been achieved. **Appendix A, Table 1**.

5.8 The audit findings and performance of audit have been set out in summary reports which have been presented to the Audit Committee during the year. In total 63 final reports have been issued in 2018/19. These are listed with their assurance rating and broken down by service area at **Appendix A, Table 2**.

5.9 The following chart shows performance against the approved Internal Audit Plan for 2018/19:

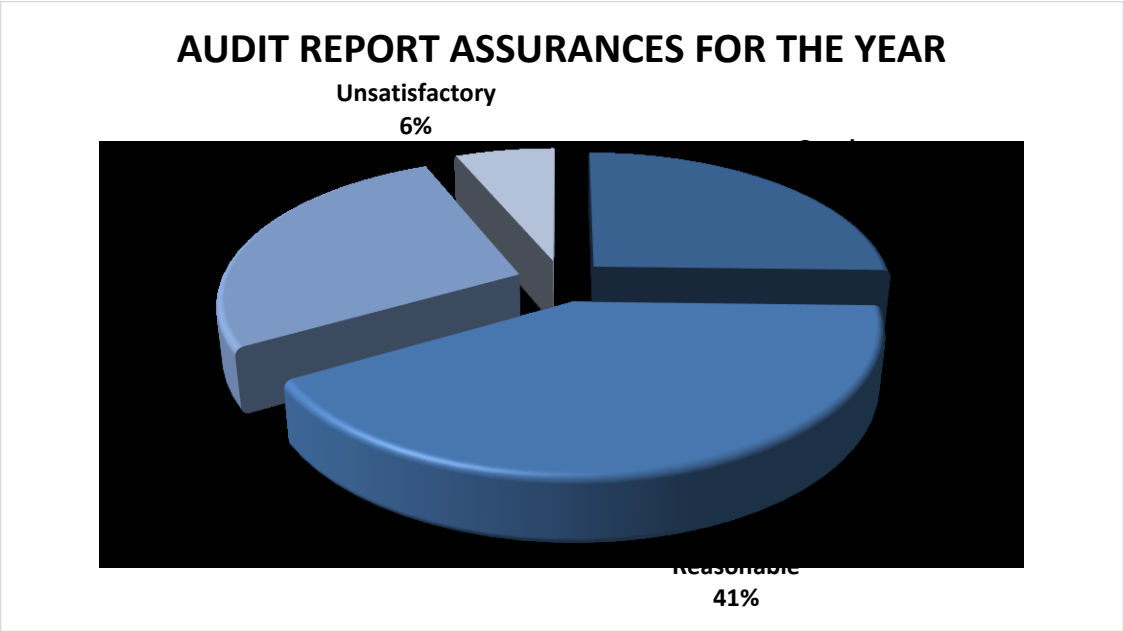


5.10 The following tables compare the assurance levels (where given) and categorisation of recommendations made at the Council to demonstrate a direction of travel in relation to the control environment.

Comparison of Assurance Levels (where given)

Assurances	Good	Reasonable	Limited	Unsatisfactory	Total
2018/19	26%	41%	27%	6%	100%
2017/18	20%	44%	29%	7%	100%
2016/17	7%	45%	31%	17%	100%
2015/16	14%	35%	42%	9%	100%
2014/15	17%	47%	28%	8%	100%
2013/14	30%	45%	15%	10%	100%
2012/13	31%	56%	12%	1%	100%

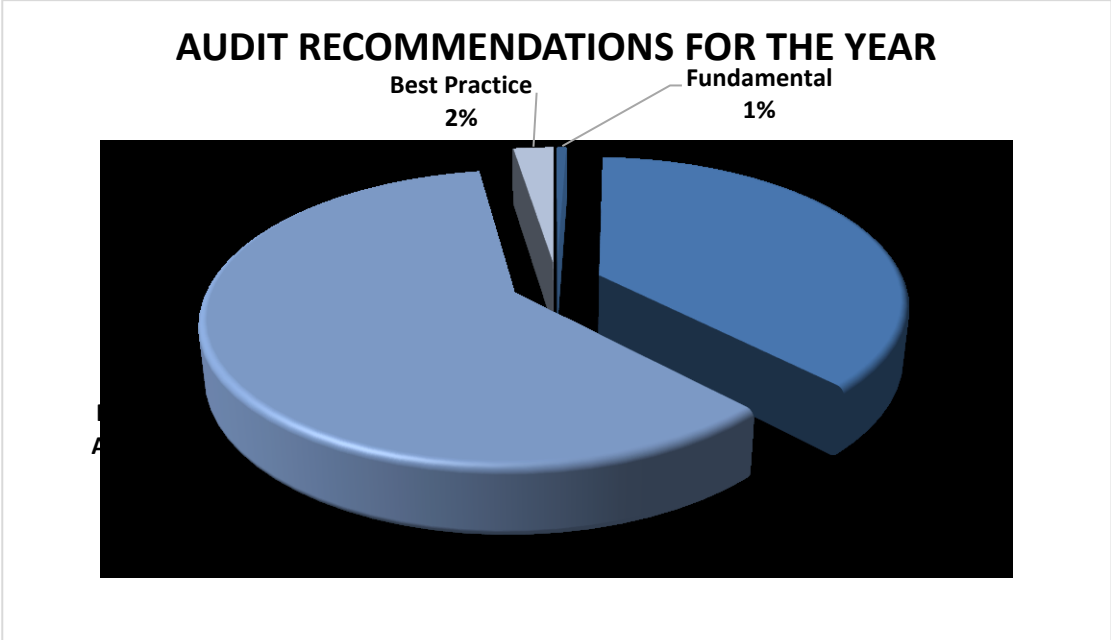
The assurance levels awarded to each completed audit area for 2018/19 appear in the following graph:



Comparison of recommendation by categorisation

Categorisation	Best practice	Requires attention	Significant	Fundamental	Total
2018/19	2%	60%	37%	1%	100%
2017/18	3%	56%	41%	0%	100%
2016/17	4%	50%	46%	0%	100%
2015/16	4%	54%	42%	0%	100%
2014/15	6%	53%	40%	1%	100%
2013/14	15%	57%	27%	1%	100%
2012/13	23%	57%	20%	0%	100%

The overall spread of recommendations agreed with management following each audit review for 2018/19 appear in the attached graph:



5.11 Forty-two good and reasonable assurances were made in the year accounting for 67% of the opinions delivered. This represents a 3% increase in the higher levels of assurance compared to the previous year, offset by a 3% decrease in limited and unsatisfactory opinions. Four unsatisfactory opinions and 17 limited assurance opinions were issued.

5.12 Further consideration of the assurance levels of completed audits shows:

- No limitations have been placed on the scope of the audit.
- The Council has seen the implementation of fundamental line of business systems within social care, customer services, finance and human resources. In addition, IT infrastructure changes have been necessary to support the business in this transition. These systems are in their infancy and full systems audits have not been conducted.
- Nineteen[1] 'high' risk systems within the Council attracted a good or reasonable level of assurance and eight limited or unsatisfactory.
- The scope of all audit reviews for fundamental financial systems was limited to providing assurance on controls relevant to the current year accounts and did not look at the full control environment given the move to new systems at year end, this may impact on the assurances provided. The payroll, risk management and four[2] of the fundamental audit assurance levels are good or reasonable, through which a significant amount of the Council's financial business is transacted. These results are set against limited assurance levels in two[3] of the fundamental systems and one[4] unsatisfactory. There are known issues in these lower assurance level audits with plans to address them in the new finance systems. The system implementation was delayed and as a result some of the controls were not established by year end due to the timing issues.
- Improvements in Estate Management led to an assurance leap from unsatisfactory to good, this also addressed a fundamental recommendation raised in their 2017/18 audit.
- Unsatisfactory assurance reviews demonstrated non-compliance with procurement processes; a need to improve grant processes; a low level of confidence that income targets were going to be met in key areas and the need to clarify and deliver against business cases for commercial services. All findings were supported by management and wider consultancy and advisory work reiterated the need for improvements in these areas.
- Fundamental recommendations were implemented and none rejected by management.
- An employee survey has provided information on the culture of the Council and demonstrated that an ethical framework is happening within the Council, however it is not working across all areas and is not fully embedded and integrated.
- Observations from consultancy and advisory work provided;
    - Confidence in the delivery of the Digital Transformation Programme
    - Support to the ICT Governance Approvals Board and exposure to proposed system changes
    - Control improvements in respect of grants to market towns

[1] Figures exclude draft reports completed in 2019/20.
[2] Housing Benefits and Treasury Management. Corporate Governance and General Ledger in draft (N.B. not all fundamental systems are reviewed every year)
[3] Purchase and Sales Ledger
[4] Debt Recovery

- Awareness of fundamental procurement issues in isolated areas of the Council
- Information on the governance and internal control environment in maintained schools
- Confidence in the delivery of a few small IT based projects within services
- Awareness of the financial stability of several Council suppliers and the need for business continuity processes in a few cases where there were concerns

5.13 Given the overall impact of the points above, the Head of Audit can offer reasonable assurance for the 2018/19 year end opinion, that the Council's framework for governance, risk management and internal control is sound and working effectively

5.14 Work has also been completed for external clients including honorary and voluntary bodies in addition to the drafting and auditing of financial statements.

5.15 A summary of the reviews resulting in limited and unsatisfactory assurances since the last report, in February 2019 is included at **Appendix A, Table 4**. The Appendix also includes descriptions for the levels of assurance used in assessing the control environment and the classification of recommendations, **Tables 5 and 6**.

Audit Committee are asked to advise what action they wish to follow in relation to the limited and unsatisfactory areas reported?

5.16 A total of 519 recommendations have been made in the 63 final audit reports issued in the year; these are broken down by audit area and appear at **Appendix A, Table 7**.

5.17 The number of fundamental recommendations has remained static at three; overall this represents 1% of the total number of recommendations made. Fundamental recommendations were made on the following audits:

- **Environmental Maintenance Grants**
- **Commercial Strategy and Plans**
- **Inspire to Learn**

Some control improvements are reported as implemented, others are underway but delayed due to management decisions and associated resourcing issues. Where delays are experienced after a revised implementation date, this will be reported to the Audit Committee.

The percentage of significant and fundamental recommendations has decreased slightly from 41% to 38% compared to last year with a corresponding increase in requires attention and best practice recommendations.

5.18 It is management's responsibility to ensure accepted audit recommendations are implemented within an agreed timescale. **Appendix A, Table 8 sets out the approach adopted to following up recommendations** highlighting Audit Committees involvement.

5.19 Two recommendations, equivalent to less than 1% of all recommendations made, have been rejected by management. Both recommendations have been discussed with the managers concerned.

5.20 Where the reasons for rejection, of any recommendation, are not accepted by Internal Audit, and it is considered that the identified risk is not being managed or mitigated, this has been highlighted to the managers concerned and will be reported to Audit Committee. There are none since the last report in February 2019.

5.21 During 2018/19, Internal Audit continued to facilitate work on the National Fraud Initiative (NFI). This involved supplying data to the Cabinet Office for matching purposes, the results of which will be reported to a later committee.

5.22 In the current year, several internal audit reviews have been conducted, to help ensure appropriate controls are in place and are operational to counter the risk of fraud. These include:

- Appointeeships/ court of protection and deputyships
- Children's direct payments
- Debt recovery
- Flexi/ annualised hours
- Housing benefits
- Income collection
- Licensing
- Payroll
- Primary school income collection
- Procurement cards
- Purchase ledger
- Sales ledger
- Secondary school income collection
- Treasury management

5.23 The above were further supported by learning following individual investigations. Where internal control weaknesses have been identified, results are reported in a management report and recommendations made and agreed to help reduce a repeat of any inappropriate activity.

5.24 Although Internal Audit is primarily an assurance function, internal audit activity should also add value to the Council. Contingencies are provided in the plan to allow for such activities and review areas reprioritised based on risks. Examples of the types of additional work that the service has conducted since the last report include:

- Advice to:
  - Adult Services on managing their financial accounts;
  - Property Services regarding invoice processing on their IT system.
- Consultation on internal controls in respect of CONTRACC a batch control process transferring files from the social care to the finance payment systems.
- Various IT security advice including: Whatsapp security and corporate use advice; Unit 4[5] security concerns and information security policies.

[5] Recruitment software

An annual opinion on the adequacy of the governance arrangements

5.25 In considering an annual audit opinion, it should be noted that assurances given can never be absolute. The internal audit service can however provide the Council with reasonable assurance as to whether there are any major weaknesses to be found in risk management, governance and control processes, **Table 11 shows opinion criteria.**

5.26 The matters raised in this report are only those which came to Internal Audit's attention during its internal audit work and are not necessarily a comprehensive statement of all weaknesses that exist, or of all the improvements that may be required.

5.27 In arriving at her opinion, the Head of Audit has taken the following matters into account:

- Results of all audits undertaken during the year ended 31 March 2019;
- Results of Corporate Governance (reasonable assurance) and Risk Management (good assurance) reviews;
- Results of fundamental audit reviews and their direction of travel;
- Implementation of recommendations of a fundamental nature;
- Assurance levels provided and their direction of travel, and those of the recommendation ratings, compared against the risk appetite of the Council.
- Fundamental recommendations not accepted by management and the consequent risks;
- Effects of any material changes in the organisation's objectives or activities;
- Matters arising from previous reports to the Audit Committee and/or Council;
- If any limitations have been placed on the scope of internal audit;
- Whether there have been any resource constraints imposed which may have impinged on Internal Audit's ability to meet the full internal audit needs of the Council; and
- Proportion of the Council's internal audit needs that have been covered to date.

5.28 All assurances are provided on the basis that management carry out the actions they have agreed in respect of the recommendations made to address any weakness identified and improvements suggested.

Based on the Internal Audit work undertaken and management responses received; I can offer reasonable assurance for the 2018/19 year that the Council's framework for governance, risk management and internal control is sound and working effectively.

Generally, risks are well managed but some areas require the introduction of, compliance with or improvement to internal controls to ensure the achievement of the Council's objectives. 2018/19 has been a challenging year given the level of key fundamental line of business system changes delivered (social care, customer services, financial and human resources) and the embedding of these continues. Alongside the challenge to deliver savings and increase income (Commercial and Digital Transformation).

Audit performance

5.29 Audit Performance is demonstrated by measuring achievement against the plan, ensuring compliance against the Public Sector Internal Audit Standards, benchmarking the service against others in the sector and evaluating improvements made over the previous twelve months. The effectiveness of Internal Audit is further reviewed through the Audit Committee's delivery of its responsibilities and feedback gained from customer satisfaction surveys.

Aspect of measure	Target 2018/19	Actual 2018/19
Percentage of revised plan delivered	90%	100%
Compliance with Public Sector Internal Audit Standards	Compliant	Compliant
Percentage of customers satisfied overall with the service	80%	88%

5.30 An annual review of Internal Audit is conducted in the form of a self-assessment of compliance with the Public Sector Internal Audit Standards. The self-assessment forms part of another report on this agenda: 'Annual review of Internal Audit, Quality Assurance and Improvement Programme (QAIP) 2018/19. In addition, an external assessment conducted by CIPFA and reported on to a February 2017 meeting of this Committee demonstrated compliance with the PSIAS, the external assessment will be repeated in five years.

5.31 Internal Audit recognises the importance of meeting customer expectations as well as conforming to the UK Public Sector Internal Audit Standards. The Service continually focuses on delivering high quality audit to clients – seeking opportunities to improve where possible.

- Commitment to quality begins with ensuring that appropriately skilled and experienced people are recruited and developed to undertake audits.
- Audit practice includes ongoing quality reviews for all assignments. These reviews examine all areas of the work undertaken, from initial planning through to completion and reporting. Key targets have been specified - that the assignment has been completed on time, within budget and to the required quality standard.
- A Quality Assurance Framework includes all aspects of the Internal Audit Activity – including governance, professional practice and communication. The quality of audits is evidenced through performance and delivery, feedback from our clients and an annual self-assessment.
- There is a financial commitment for training and developing staff. Training provision is reviewed continually through the appraisal process and regular one to one meetings. Individual training programmes are developed to ensure that staff are kept up to date with the latest technical / professional information and to ensure that they are equipped with the appropriate skills to perform their role.

5.32 Customers are asked for feedback on their audit experience after most audit reviews. Feedback is provided on the quality of the service and helps to ensure that audit work

meets client expectations and the quality of audit work is maintained. The percentages of excellent and good responses for the last three years are detailed in **Appendix A, Table 9**.

5.33 Part way through the year customer surveys were moved to an electronic facility. This has seen a reduction in surveys received. The percentage of customers scoring the service as high or excellent has decreased slightly (90 to 88%). Given the current climate where there are a few reviews reporting reduced assurances and a significant reduction in resources for both Internal Audit and our customers starting to impact on services, the overall result remains a positive reflection of the service. That said where individual ratings are low, we do value the opportunity to explore the reasons for these and talk to the customer to identify the key issues and aim to improve on them.

5.34 During the last year several compliments and comments have been received in respect of the service from both questionnaires and directly, these appear at **Appendix A, Table 10**. Most comments have been very positive reflecting the hard work the team devote to establishing a good professional relationship with clients. All other comments are followed up with the author to identify where lessons can be learnt and improvements made.

5.35 Internal Audit employ a risk-based approach to determining the audit needs of the Council at the start of the year and use a risk-based methodology in planning and conducting audit assignments. All work has been performed in accordance with PSIAS.

5.36 To ensure the quality of the work performed, a programme of quality measures is used, which includes:

- Supervision of staff conducting audit work;
- Review of files of working papers and reports by managers and partners;
- Receipt of formal feedback from managers to audit findings and recommendations;
- Follow up reviews for reports attracting low assurance levels and recommendation follow up processes;
- The use of satisfaction surveys for each completed assignment;
- Annual appraisal of audit staff and the development of personal development and training plans;
- The maintenance of guidance and procedures.

5.37 There have been no instances during the year which have impacted on Internal Audit's independence and/or have led to any declarations of interest.

Performance measures

5.38 All Internal Audit work has been completed in accordance with the agreed plan and the outcomes of final reports have been reported to the Audit Committee.

Review of the effectiveness of Internal Audit work by the Audit Committee

5.39 The Council has a well-established Audit Committee, which operates in accordance with best practice. Its terms of reference and associated working practices are aligned with those suggested by CIPFA and are reviewed annually. Its members receive regular training on the role of the committee and how they can best support this, as well

as the roles of internal and external audit. It undertakes an annual self-assessment exercise and seeks to improve the way in which it operates.

5.40 The Committee provides an Annual Assurance Report to Council to summarise its work and opinion on internal controls. This report is also located on this agenda.

5.41 The Council's Audit Committee considers external and internal audit reports and the Committee requests management responses to any significant issues reported, including reporting the progress made in implementing audit recommendations. Senior officers have attended the Audit Committee to provide management responses in relation to a few reports. Examples of audit work and remedial action that have been scrutinised by the Audit Committee include reports on strategic risks; estates; adult social care financial assessments; IT and digital transformation updates.

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

Draft Internal Audit Risk Based Plan 2018/19 - Audit Committee March 2018
Internal Audit Plan 2018/19 – Performance Report - Audit Committee September 2018
Internal Audit Plan 2017/18 – Performance Report - Audit Committee December 2018
Internal Audit Plan 2017/18 – Performance Report - Audit Committee February 2019
Public Sector Internal Audit Standards (PSIAS).
Various internal documents supporting self-assessment against the PSIAS.
Audit management system.
Accounts and Audit Regulations 2015

Cabinet Member (Portfolio Holder)
Peter Nutting, Leader of the Council and Peter M Adams, Chairman of Audit Committee

Local Member: All

Appendices

Appendix A
Table 1: Summary of actual audit days delivered against plan 2018/19
Table 2: Final audit report assurance opinions issued in 2018/19
Table 3: Audit opinion and recommendations made on fundamental systems 2018/19
Table 4: Unsatisfactory and limited assurance opinions since February 2019 listed by service area
Table 5: Audit assurance opinions
Table 6: Audit recommendation categories
Table 7: Audit recommendations made in 2018/19
Table 8: Recommendation follow up process (risk based)
Table 9: Customer Feedback Survey Forms
Table 10: Summary of compliments and comments 2018/19
Table 11: The principles and assurance criteria applied to the Head of Audit's opinion

Appendix B - Audit plan by service – annual report 2018/19

APPENDIX A

Table 1: Summary of actual audit days delivered against plan 2018/19

	Original Plan	Revised Plan	March Actual	% of Original Complete	% of Revised Complete
Chief Executive	707	529	491.9	70%	93%
Finance, Governance and Assurance	392	264	251.0	64%	95%
Governance	30	20	13.5	45%	68%
Workforce and Transformation	257	209	199.4	78%	95%
Legal and Democratic	28	36	28.0	100%	78%
Adult Services	172	58	43.9	26%	76%
Place and Enterprise	342	227	221.6	65%	98%
Children's Services	173	88	92.6	54%	105%
Public Health	70	55	49.4	71%	90%
S151 Planned Audit	1,464	957	889.4	61%	94%
Contingencies and other chargeable work	566	524	551.1	97%	105%
Total S151 Audit	2,030	1,481	1,450.5	71%	98%
External Clients	226	229	263	116%	115%
Total	2,256	1,710	1,713.5	76%	100%

Please note that a full breakdown of days by service area is shown at **Appendix B**

Table 2: Final audit report assurance opinions issued in 2018/19

Summary

Audits 2018 / 19	Assurance	%	Direction of travel	Audits 2017/18	%	Audits 2016/17	%
16	Good	26	↑	22	20	7	7
26	Reasonable	41	↓	48	44	44	45
42	Sub total	67	↑	70	64	51	52
17	Limited	27	↓	32	29	30	31
4	Unsatisfactory	6	↔	8	7	16	17
21	Sub total	33	↓	40	36	46	48
63	Overall total	100		110	100	97	100

Full details

	Audit	Assurance
1	PFI 2017/18	Good
2	Broadband Contract 2017/18	Good
3	Estate Management	Good
4	Strengthening Families Grant - June 2018 Claim	Good
5	Strengthening Families Grant – September 2018 Claim	Good
6	Strengthening Families Grant - December 2018 Claim	Good
7	Strengthening Families Grant – March 2019 Claim	Good
8	Academy Exit Process	Good
9	Domestic Abuse	Good
10	Risk Management	Good
11	Housing Benefits	Good
12	Treasury Management	Good
13	Payroll System 2017/18	Good
14	ICT Governance / Approvals	Good
15	IT Change Management	Good
16	Wide area network	Good
17	Section 106 Agreements	Reasonable
18	Voluntary Car Scheme	Reasonable
19	Community Car Scheme	Reasonable
20	Highways Permits	Reasonable
21	Primary School Income Collection	Reasonable
22	Secondary School Income Collection	Reasonable
23	Highley Primary School 2017/18	Reasonable
24	Strengthening Families Grant - July 2018 Claim	Reasonable
25	Strengthening Families Grant – October 2018 Claim	Reasonable
26	Strengthening Families Grant - January 2019 Claim	Reasonable
27	Parking - Enforcement and Issue of NTOs and Fixed Penalty Notices 2017/18	Reasonable
28	Public Health Contracts 2017/18	Reasonable
29	Capital - Management and Monitoring 2017/18	Reasonable
30	Procurement Cards	Reasonable
31	VAT	Reasonable
32	Digital Customer Services Design Phase 2017/18	Reasonable
33	Mobile Devices - Phones and Tablets Including Billing 2017/18	Reasonable
34	ITIL	Reasonable
35	Skype	Reasonable
36	Flexi/Annualised Hours System	Reasonable
37	Customer First Points (IT)	Reasonable
38	ICT Procurement / Contracts Manager	Reasonable
39	Ivanti Service Desk	Reasonable
40	SCCM (System Centre Configuration Manager)	Reasonable
41	Wireless Networking	Reasonable
42	Website Management	Reasonable
43	Appointeeships / Court of Protection and Deputyships 2017/18	Limited
44	Perthyn Contract	Limited
45	Liquid Logic Project Review Adults	Limited
46	Community Infrastructure Levy	Limited
47	Section 38 Road Adoption	Limited
48	Transport Operations Group	Limited

	Audit	Assurance
49	Local Enterprise Partnership	Limited
50	Corvedale CE Primary School 2017/18	Limited
51	Children's Direct Payments	Limited
52	Registrars Service	Limited
53	Licensing	Limited
54	Sales Ledger 2017/18	Limited
55	Enterprise Resource Planning (ERP) Project Governance Review of the ERP Build Phase	Limited
56	Wireless Networking 2017/18	Limited
57	Ludlow Customer Service Point Cash Regularity Audit	Limited
58	Customer Service Points	Limited
59	Internet Security Follow up	Limited
60	Environmental Maintenance Grants	Unsatisfactory / Fundamental recommendation
61	Theatre Severn Chip & Pin	Unsatisfactory
62	Commercial Strategy and Plans	Unsatisfactory / Fundamental recommendation
63	Inspire to Learn	Unsatisfactory / Fundamental recommendation

Key

Text in blue	High risk from an audit perspective

Service area	Good	Reasonable	Limited	Unsatisfactory	Total
Chief Executive	7	14	6	0	27
Finance, Governance and Assurance	3	3	2	0	8
Governance	0	0	0	0	0
Workforce and Transformation	4	11	4	0	19
Legal and Democratic	0	0	0	0	0
Adult Services	1	0	3	0	4
Place and Enterprise	2	6	4	3	15
Children's Services	5	4	2	1	12
Children's Services: Schools	0	1	1	0	2
Children's Services: Others	5	3	1	1	10
Public Health	1	2	2	0	5
Total for 2018/19 ➢ **Numbers**	**16**	**26**	**17**	**4**	**63**
➢ **Percentage**	**26%**	**41%**	**27%**	**6%**	**100%**
Percentage 2017/18	**20%**	**44%**	**29%**	**7%**	**100%**
Percentage 2016/17	**7%**	**45%**	**31%**	**17%**	**100%**
Percentage 2015/16	**14%**	**35%**	**42%**	**9%**	**100%**
Percentage 2014/15	**17%**	**47%**	**28%**	**8%**	**100%**

Table 3: Audit opinion and recommendations made on fundamental systems 2018/19

Fundamental system	Direction of travel	Level of assurance given
Corporate Governance (draft)	↓	Reasonable
Debt Recovery (draft)	=	Unsatisfactory
Purchase Ledger (draft)	↓	Limited
Capital Management	↓	Reasonable
General Ledger (draft)	=	Reasonable
Treasury Management	=	Good
Sales Ledger (draft)	↑	Reasonable
Payroll System (draft)	=	Good
Risk Management	=	Good
Income Collection (draft)	=	Reasonable
Housing Benefits	=	Good

Table 4: Unsatisfactory and limited assurance opinions since February 2019 listed by service area[6]

Unsatisfactory assurance

Children's Services - Inspire to Learn (2017/18 audit unsatisfactory)

- Previous Audit recommendations have been implemented.
- An approved Business Case is in place.
- Resources are available to ensure that services can meet their objectives as set out in the Business Case.
- Risks to services, the Council and the customers have been identified.
- Reporting arrangements and performance measurements are in place.

Limited assurance

Adult Services – Liquid Logic Project Review (Adults)

- Shropshire Council has formally accepted the build of the new system based on previously agreed service design documents.
- Data Privacy, Security, Business Continuity, Disaster Recovery have been agreed and built into the system
- Interfaces have been built and responsibilities have been formally defined.
- Testing has been undertaken covering all elements of the workflow, configuration, administration and integrations

Children's Services – Children's Direct Payments

- Previous audit recommendations have been implemented.
- Contractual agreements are in place between all parties involved in the scheme.
- Expenditure by Service Users is monitored on a regular basis and the recovery of monies made where appropriate.

[6] Listed are the management controls that were reviewed and found not to be in place and/or operating satisfactorily and therefore positive assurance could not be provided for them.

- Satisfactory arrangements are in place to make accurate payments to Service Users.
- Management information is produced on a regular basis and is subject to independent review in a timely manner.
- Electronically held data is secure and can be restored in the event of IT failure.

Place and Enterprise – Local Enterprise Partnership (2017/18 audit limited)

- To ensure that the recommendations made in the 2017/18 audit have been implemented as agreed in the following areas:
  a) The recommendations made in the 2016/17 audit had been implemented.
  b) There are procedures to ensure that the grant income is correctly administered.
  c) There are adequate performance and project management arrangements.

Public Health – Licensing (2015/16 audit limited)

- The system is operated in accordance with up to date policies, procedures, Financial Rules, statutory regulations and legislation, to which relevant staff have access.
- All income due is identified, collected, receipted and banked promptly into nominated accounts.
- Upon revocation or expiry all plates and licences are recovered.
- Management information is produced on a regular basis and is subject to independent review in a timely manner.
- There are appropriate arrangements in place for the prevention and detection of fraud. Suspected or attempted fraudulent activity is investigated and action taken where appropriate.

Table 5: Audit assurance opinions: awarded on completion of audit reviews reflecting the efficiency and effectiveness of the controls in place, opinions are graded as follows

Good	Evaluation and testing of the controls that are in place confirmed that, in the areas examined, there is a sound system of control in place which is designed to address relevant risks, with controls being consistently applied.
Reasonable	Evaluation and testing of the controls that are in place confirmed that, in the areas examined, there is generally a sound system of control but there is evidence of non-compliance with some of the controls.
Limited	Evaluation and testing of the controls that are in place performed in the areas examined identified that, whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls.
Unsatisfactory	Evaluation and testing of the controls that are in place identified that the system of control is weak and there is evidence of non-compliance with the controls that do exist. This exposes the Council to high risks that should have been managed.

Table 6: Audit recommendation categories: an indicator of the effectiveness of the Council's internal control environment and are rated according to their priority

Best Practice (BP)	Proposed improvement, rather than addressing a risk.

Requires Attention (RA)	Addressing a minor control weakness or housekeeping issue.
Significant (S)	Addressing a significant control weakness where the system may be working but errors may go undetected.
Fundamental (F)	Immediate action required to address major control weakness that, if not addressed, could lead to material loss.

Table 7: Audit recommendations made in 2018/19

Service area	Number of recommendations made				
	Best practice	Requires attention	Significant	Fundamental	Total
Chief Executive	7	152	60	0	219
Finance, Governance and Assurance	0	48	27	0	75
Governance	0	0	0	0	0
Workforce and Transformation	7	104	33	0	144
Legal and Democratic	0	0	0	0	0
Adult Services	2	19	25	0	46
Place and Enterprise	1	88	54	2	145
Children's Services	3	29	42	1	75
Children's Services: Schools	3	17	23	0	43
Children's Services: Others	0	12	19	1	32
Public Health	0	22	12	0	34
Total for 2018/19 ➢ **Numbers**	**13**	**310**	**193**	**3**	**519**
➢ **Percentage**	**2%**	**60%**	**37%**	**1%**	**100%**
Percentage 2017/18	**3%**	**56%**	**41%**	**0%**	**100%**
Percentage 2016/17	**4%**	**50%**	**46%**	**0%**	**100%**
Percentage 2015/16	**4%**	**54%**	**42%**	**0%**	**100%**
Percentage 2014/15	**6%**	**53%**	**40%**	**1%**	**100%**
Percentage 2013/14	**15%**	**57%**	**27%**	**1%**	**100%**
Percentage 2012/13	**23%**	**57%**	**20%**	**0%**	**100%**

Table 8: Recommendation follow up process (risk based)

When recommendations are agreed the responsibility for implementation rests with management. There are four categories of recommendation: fundamental, significant, requires attention and best practice and there are four assurance levels given to audits: unsatisfactory, limited, reasonable and good.

The process for *fundamental recommendations* will continue to be progressed within the agreed time frame with the lead Director being asked to confirm implementation. Audit will conduct testing, either specifically on the recommendation or as part of a re-audit of the whole system. Please note that all agreed fundamental recommendations will continue to be reported to Audit Committee. Fundamental recommendations not implemented after the agreed date, plus one

revision to that date where required, will in discussion with the Section 151 Officer be reported to Audit Committee for consideration.

Table 9: Customer Feedback Survey Forms - percentage of excellent and good responses

Item Being Scored	2016/ 2017	2017/ 2018	2018/ 2019	Direction of Travel
Pre-audit arrangements	84%	87%	88%	↑
Post-audit briefing	84%	88%	88%	←→
Audit coverage/scope of the audit	81%	89%	83%	↓
Timeliness of production of report	83%	92%	86%	↓
Accuracy and clarity of report	85%	89%	89%	←→
Practicality of recommendations	78%	82%	82%	←→
Professionalism of approach	95%	95%	95%	←→
Communication skills	95%	98%	97%	↓
Timeliness, competence, manner	85%	88%	88%	←→
Number of forms returned	60	56	28	↓
% of forms scored as excellent and good	89%	90%	88%	↓

Table 10: Summary of compliments and comments 2018/19

Compliments[7]

I would just like to extend our thanks to the Auditor for completing such a thorough audit which enabled us to look at all aspects of our management and recording of agreements. Thanks also for the lovely friendly manner and for accommodating our workloads when requesting information/documents etc. This greatly assisted in making this a relatively stress-free process. Many thanks.

Not a suggestion of how to make things better but a point I'd like to make, the Auditor is always excellent to work with as he has an extraordinary understanding of the service; he is a genuine asset to Shropshire Council and we're incredibly grateful for his commitment and support. In terms of supporting us to work differently, a huge amount of credit must be given to his willingness to discuss the issues at length. The team were, shall we say, disillusioned with some of the functions and the audit process - so re-engaging them was key to our change in fortunes and the Auditor's support was instrumental in this. Simply taking the time to work with me as their new manager and explain the benefits / issues of some of the work (sometimes repeatedly) really made a difference. Thank you.

I have been very pleased with the service received. The auditor and her line manager were very helpful and accommodating as well as informative. The process was lengthy however this isn't a criticism of the audit team, it was reliance on another team assisting and therefore beyond the control of the auditor but highlights the capacity issues within services.

[7] Depersonalised for public reporting

Pre audit advice for this audit was invaluable for me. The pointers given really helped to ensure sound processes and testing were being put in place.

Whilst I was not available for a period when the audit was being undertaken I have requested feedback from my staff who were in contact with the Auditor. It has to be noted that in all communications the Auditor was extremely helpful and supportive in requesting further clarification whilst conducting the audit.

The service has an interesting history with Audit, one that I would not say was perfect. This was, in my opinion, not down to anyone or a particular side but a lack of investment which created some fairly difficult issues to address. Fortunately, this has now been overcome and thanks to the support of colleagues in Audit things are looking much better. Of particular note for me this year is the Auditor's continued support and excellent oversight and input. Also, the openness with which the Auditors worked with us - particularly when we have challenged some of their findings - has been exemplary. As a result of this good working relationship, we hold the audit findings and process in high-regard and would recommend working with our internal team to anyone. Thank you

The audit was a positive experience from my perspective as there was minimal interruption from the Auditor. She went out of her way to avoid disruption to the business by being organised, professional and getting the audit completed in a timely manner.

Comments
Perhaps it should be a wider audit, rather than a specific function.

I mentioned in the pre-audit brief that our external school sites should be included in the scope of the audit but rarely do. The auditor said that he could only chose schools that were within a 9km radius or something along those lines - considering half our business now takes place outside of Shropshire this rather narrows down the sites that are selected to be used in any sample. It would be useful to our service if these sites could be considered in future audits.

Turned up on site for two days without agreeing in advance with team. Documentation submitted in a timely fashion from the team who heard nothing for months. Audit should have been completed before Christmas only just received the report today 5 Feb 2019.

Table 11: The principles and assurance criteria applied to the Head of Audit's opinion:

Principles applied to the opinion:

1. Authentic: Opinions are fair, reliable and honest
2. Transparent: Opinions are qualified with evidence or professional judgement
3. Strategic: Macro level information without undue detail
4. Insightful: Information is engaging and generates discussion
5. Resolute: Opinion is delivered with courage and conviction

Assurance criteria applied:

Opinion	Indication of when this type of opinion may be given**	Traditional Opinion
Substantial	Limited number of medium risk related weaknesses identified but generally only low risk rated weaknesses have been found in individual assignments/ observations. No one area is classified as high or/ critical risk	Unqualified
Reasonable	Medium risk rated weakness identified in individual assignments/ observations that are not significant in aggregate to the system of governance, risk management or control. High risk rated weaknesses identified in individual assignments/ observations that are isolated to specific systems, processes and services None of the individual assignment reports/ observations have an overall high or critical risk	
Limited	Medium risk related weaknesses identified in individual assignments that are significant in aggregate but discrete parts of the system of internal control remain unaffected and/or High risk rated weaknesses identified in individual assignments/ observations that are significant in aggregate but discrete parts of the system of internal control remain unaffected, and/or Critical risk rated weaknesses identified in individual assignments/ observations that are not widespread to the system of internal control, and More than a minority of the individual assignment reports/ observations may have an overall report classification or rating of high or critical risk	
No Assurance	High risk rated weaknesses identified in individual assignments/ observations that in aggregate are widespread to the system of internal control and/or Critical risk rated weaknesses identified in individual assignments/ observations that are widespread to the system of internal control or More than a minority of the individual assignment reports/ observations have an overall report classification of either high or critical risk Lack of management action to deliver improvements, may be identified by repeating recommendations of a high or critical risk	Qualified
Disclaimer	An opinion cannot be issued because insufficient internal audit work has been completed due to either:	Qualified

	-restrictions in the agreed audit programme, which means that audit work would not provide sufficient evidence to conclude on the adequacy and effectiveness of governance, risk management and control, or - unable to complete enough reviews and gather sufficient evidence to conclude on the adequacy of arrangements for governance, risk management and control	

** Indicators refer not only to Internal Audit reviews, but wider assurance providers and intelligence from across the business that is evidenced, an example would be peer reviews.

APPENDIX B

AUDIT PLAN BY SERVICE – ANNUAL REPORT 2018/19

	Original Plan Days	Revised Plan Days	31st March 2019 Actual	% Original Plan Achieved	% Revised Plan Achieved
CHIEF EXECUTIVE					
Governance	**30**	**20**	**13.5**	**45%**	**68%**
Finance Governance & Assurance					
Finance Transactions	108	63	62.5	58%	99%
Finance and S151 Officer	101	52	35.1	35%	68%
Financial Management	70	56	59.3	85%	106%
Revenues and Benefits	20	12	12.3	62%	103%
Treasury	24	16	16.1	67%	101%
	392	**264**	**251.0**	**64%**	**95%**
Workforce and Transformation					
Human Resources	97	56	58.4	60%	104%
Customer Services	13	13	13.1	101%	101%
ICT	147	140	127.9	87%	91%
	257	**209**	**199.4**	**78%**	**95%**
Legal and Democratic					
Information Governance	8	26	15.3	191%	59%
Legal Services	20	10	12.7	64%	127%
	28	**36**	**28.0**	**100%**	**78%**
CHIEF EXECUTIVE	**707**	**529**	**491.9**	**70%**	**93%**
ADULT SERVICES					
Social Care Operations					
Long Term Support	96	47	31.2	33%	66%
Assistive Services	8	0	0.0	0%	0%
Provider Services - Group Homes	8	7	7.4	93%	106%
Housing Services	28	4	5.3	19%	133%
	140	**58**	**43.9**	**31%**	**76%**
Social Care Efficiency and Improvement					
Developmental Support	**32**	**0**	**0.0**	**0%**	**0%**
ADULT SERVICES	**172**	**58**	**43.9**	**26%**	**76%**
PLACE AND ENTERPRISE					

	Original Plan Days	Revised Plan Days	31st March 2019 Actual	% Original Plan Achieved	% Revised Plan Achieved
Director of Place and Enterprise					
Corporate Performance Management	**0**	**2**	**1.7**	**0%**	**85%**
Business, Enterprise and Commercial Services					
Commercial Services	8	11	11.3	141%	103%
Shire Services	25	12	12.0	48%	100%
Strategic Asset Services	64	26	18.3	29%	70%
	97	**49**	**41.6**	**43%**	**85%**
Economic Development					
Business & Enterprise	29	15	16.1	56%	107%
Development Management	24	13	13.2	55%	102%
Planning & Corporate Policy	16	42	42.5	266%	101%
Project Development	17	4	4.0	24%	100%
	86	**74**	**75.8**	**88%**	**102%**
Infrastructure and Communities					
Highways	65	49	49.7	76%	101%
Environmental Maintenance	0	6	5.8	0%	97%
Library Services	4	0	0.0	0%	0%
Public Transport	48	30	29.5	61%	98%
Waste & Bereavement	24	0	0.0	0%	0%
	141	**85**	**85.0**	**60%**	**100%**
Culture and Heritage					
Theatre Severn and OMH	10	17	17.5	175%	103%
Leisure Services	8	0	0.0	0%	0%
	18	**17**	**17.5**	**97%**	**103%**
PLACE AND ENTERPRISE	**342**	**227**	**221.6**	**65%**	**98%**
CHILDREN'S SERVICES					
Safeguarding					
Children's Placement Services & Joint Adoption	36	20	18.7	52%	94%
Safeguarding	6	16	16.7	278%	104%
	42	**36**	**35.4**	**84%**	**98%**
Education, Improvement and Efficiency					
Education Improvements	50	12	12.2	24%	102%

	Original Plan Days	Revised Plan Days	31st March 2019 Actual	% Original Plan Achieved	% Revised Plan Achieved
Primary/Special Schools	54	40	45.0	83%	113%
Secondary Schools	27	0	0.0	0%	0%
	131	**52**	**57.2**	**44%**	**110%**
CHILDREN'S SERVICES	**173**	**88**	**92.6**	**54%**	**105%**
PUBLIC HEALTH					
Public Health	10	15	8.0	80%	53%
Community Safety	8	0	0.0	0%	0%
	18	**15**	**8.0**	**44%**	**53%**
Public Protection					
Community Safety	24	15	15.4	64%	103%
Environmental Protection and Prevention	20	13	13.5	68%	104%
	44	**28**	**28.9**	**66%**	**103%**
Bereavement	**8**	**12**	**12.5**	**156%**	**104%**
PUBLIC HEALTH	**70**	**55**	**49.4**	**71%**	**90%**
Total Shropshire Council Planned Work	**1,464**	**957**	**899.4**	**61%**	**94%**
CONTINGENCIES					
Advisory Contingency	50	32	32.0	64%	100%
Fraud Contingency	200	200	206.3	103%	103%
Unplanned Audit Contingency	50	44	44.7	89%	102%
Other non audit Chargeable Work	266	248	268.1	101%	108%
CONTINGENCIES	**566**	**524**	**551.1**	**97%**	**105%**
Total for Shropshire	**2,030**	**1,481**	**1,450.5**	**71%**	**98%**
EXTERNAL CLIENTS	**226**	**229**	**263**	**116%**	**115%**
Total Chargeable	**2,256**	**1,710**	**1,713.5**	**76%**	**100%**

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Committee and Date	Item
Audit Committee 27th June 2019 1:30pm	 Public

Annual Governance Statement (AGS) and a review of the effectiveness of the Council's Internal Controls and Shropshire Council's Code of Corporate Governance 2018/19

Responsible Officer James Walton
e-mail: James. walton@shropshire.gov.uk Tel: 01743 255011

1. Summary

Shropshire Council is committed to the principles of good corporate governance. It is required, under the Accounts and Audit Regulations 2015, Regulation 6, to produce an Annual Governance Statement (AGS) to accompany the annual statement of accounts, which must be signed by the Leader of the Council and the Head of Paid Service. This statement should be considered after a review of the effectiveness of the Council's system of internal controls as required by the Accounts and Audit Regulations.

As part of the review of the effectiveness of the Council's system of internal controls, Shropshire Council's Code of Corporate Governance has been examined, the results of which have informed the AGS. The Code is compiled based on guidance provided by the Charted Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Government Chief Executives (SOLACE) and identifies how the Council achieved reasonable corporate governance in 2018/19.

Members have been asked prior to, by email, and at this Committee to consider the proposed Annual Governance Statement and the basis on which it has been compiled, and comment on its contents. This will help ensure that it remains a true reflection of the internal controls of the Council for 2018/19.

2. Recommendations

A. The Committee is asked to consider, with appropriate comment, the Annual Governance Statement 2018/19 at **Appendix A**.

B. The Committee is asked to receive and comment on the Internal Audit conclusion that the Council has reasonable evidence of compliance with the Code of Corporate Governance. The detailed code, incorporating evidence, is contained in **Appendix B.**

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1. Risk management is part of the overall arrangements for internal control and contributes to the Council's position of strong governance. Corporate Governance is part of the overall internal control framework and contributes to the Council's strong governance arrangements. The AGS has been drafted based on information contained in the risk register alongside data from assurance statements and officer review groups. The strategic risk register is regularly monitored and updated by senior managers and is a useful, up to date tool to identify governance issues. Consequently, this creates a clear link between the AGS, the strategic risk register, business planning and performance.

3.2. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998 and the Accounts and Audit Regulations 2015.

3.3. There are no environmental consequences of this proposal and consultation has been used to inform the Annual Governance Statement and review of the Code of Corporate Governance by seeking assurances and evidence from senior officers as to the effectiveness of internal controls and governance processes.

4. Financial Implications

4.1. Currently there are no financial implications. Any which arise when implementing future improvement activities will be reported upon separately in accordance with approved policies.

4.2. By maintaining a system of good governance and managing and mitigating risks where practicable Shropshire Council can ensure that it gets the best value from its assets. The AGS also has a focus on value for money outcomes.

5. Background

5.1 Shropshire Council is required to prepare an Annual Governance Statement (AGS), **Appendix A**. The AGS is an accountability statement from the Council to stakeholders on how well it has delivered on governance over the course of the previous year. The Council demonstrates how it complies with the principles of corporate governance set out in the CIPFA and Solace governance framework; *Delivering Good Governance in Local Government: Framework*, in April 2016, containing seven governance principles. Whilst CIPFA has not established any 'set text' for authorities to use in acknowledging their responsibility for the governance framework, by adopting the framework, the Council ensures that its governance arrangements accord with best practice.

5.2 The framework is a discretionary code against which the Council is judged. In addition to the Council acknowledging its responsibility for ensuring governance is effective, the AGS should:

- focus on outcomes and value for money;
- evaluate against the local code and principles;
- be in an open and readable style;

- include an opinion on whether arrangements are fit for purpose;
- include identification of significant governance issues and an action plan to address them;
- be signed by the chief executive and leading member in a council.

5.3 The framework also requires a section to be included in the AGS that accounts for actions taken in the year to address the significant governance issues identified in the previous year's AGS. This has been integrated within each of the relevant principles and the completed Action Plan is attached as **Appendix C**.

5.4 The Audit Committee play a very valuable role in the development of the AGS and in the finished look of the statement. The Committee's terms of reference include a requirement to review and report on the adequacy of the Council's Corporate Governance arrangements. Compliance with the Code helps to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources to achieve desired outcomes for service users and communities.

5.5 This report looks at those governance arrangements in place for last year to enable the Audit Committee to deliver its year end assurance report. The Committee should also understand the process that has been undertaken to review governance and so should be able to see how the conclusions in the AGS have been arrived at. There should be no real surprises for the Committee allowing it to provide a valuable reality check for the Statement.

5.6 The Committee can send an important message about the value and importance of the AGS, which will assist those providing assurance to support its conclusions. Once the AGS has been received and commented upon, the Committee can review progress in implementing the actions, so helping to ensure that the AGS is meaningful and is an effective tool for governance improvements.

5.7 Shropshire Council's Code of Corporate Governance, which forms part of the Constitution, is based on the seven core principles referred to in the CIPFA framework:

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

B. Ensuring openness and comprehensive stakeholder engagement.

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.

F. Managing risks and performance through robust internal control and strong public financial management.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

5.8 The Monitoring Officer and Section 151 Officer are responsible for ensuring an annual review of compliance with this Code and Internal Audit independently reviews the governance process. In conducting the review, evidence is collated from prime documents and, following discussions with and statements from key officers, this information is compared to known results of Internal Audit reviews. The assurance is then circulated publicly through Audit Committee which allows for further member and officer challenge. The results of this review are included in the Head of Audit's annual report and will form part of the overall assurance for the Annual Governance Statement.

5.9 On a practical basis, the Code contains a corporate governance map defining our framework by reference to key processes, procedures and documents which contribute to our aspiration of excellent corporate governance in Shropshire. This is felt to be a very useful way of illustrating how the Council achieves good corporate governance.

5.10 The Council's formally adopted Code of Corporate Governance is compliant with CIPFA/SOLACE guidance. The Code was reviewed by Internal Audit to determine whether the Council complied with the approved Code of Corporate Governance and is assessed as Reasonable; the evidence in **Appendix B** demonstrates in the areas examined there is generally a sound system of control but there is evidence of non-compliance with some of the controls, these have been escalated to senior management

5.11 The Annual Governance Statement**, Appendix A,** is meaningful and written as an open and honest reflection of the Council's governance and current challenges. It identifies areas for improvement in an action plan and explains how the Council has complied with the Code of Corporate Governance and meets the requirements of the Accounts and Audit Regulations 2015. It is structured to reflect each of the principles in turn. Compliance with the Council's existing Code of Corporate Governance has been reviewed and assessed and is reported in Appendix B. Significant Governance Issues are identified within the AGS for targeted improvement activities with identified lead officers and time frames.

5.12 The Annual Governance Statement is a key corporate document with the Chief Executive (CEO and Head of Paid Service) and the Leader having joint responsibility as signatories for its accuracy and completeness. It is also important that all other senior officers provide assurances to the process. As a corporate document which is owned by all senior officers and members, the preparation of the Annual Governance Statement is overseen and approved by directors supported by senior management.

5.13 In compiling the Annual Governance Statement, a review of the effectiveness of the Council's systems of internal controls, as required by the Accounts and Audit Regulations 2015 (3), is conducted and information is obtained from a range of sources. As such, the signatories to the statement can assure themselves that it reflects the governance framework for which they are responsible. **Annex C** of the Annual Governance Statement (AGS) Assurance Framework 2018/19 clearly identifies the areas from which assurance and supporting evidence has been obtained, thereby

demonstrating the effectiveness of the Council's systems of internal control. Further key assurances are provided via:

i) CEO / Head of the Paid Service.

ii) Directors and senior management. Exceptions to this were in Public Health where key officers had left and individual management assurance statements were not received from the remaining senior managers. The Director for Adult Services in his composite assurance statement provided assurance for these areas.

iii) Head of Finance, Governance and Assurance, Section 151 Officer and Responsible Financial Officer.

iv) Head of Legal, Democratic Services, Monitoring Officer.

v) Head of Audit.

vi) Performance and risk management officers and

vii) External Audit and other review agencies.

5.14 To moderate their views and to identify the significant governance issues to be identified in the AGS, Directors consider managers' assurances (first line of defence), information from their services and across the authority (second line of defence), and third-party reports such as Ofsted, peer reviews, internal and external audit (third line of defence).

5.15 The Annual Governance Statement is a key document which identifies the strong systems and processes the Council has in place to continue its high standards of corporate governance. A copy of the Statement is attached as **Appendix A**.

5.16 Satisfactory governance exists but improvements are required to meet good governance standards. Set in the context of delivering services to acceptable standards whilst achieving the £18.5m budget savings required in 2019/20 and managing the remaining structural funding gap of £35m, growing to £57m by 2023/24 as identified as part of the Corporate Plan and Financial Strategy. To ensure services are delivered to acceptable standards whilst achieving the budget savings required and managing strategic risks, the Council will strive to achieve the following outcomes:

- Services review, identify and deliver efficiency savings, financial assumptions become more refined and budget plans are in place to deliver services within the resources available.
- The workforce can effectively deliver the objectives of the Council and meet its priorities. The workforce has the right people in the right place at the right time, but allows flexibility to adapt and change to economic, and external factors. Levels of sickness absence is low, staff are trained and competent in their roles and morale is high.
- Staff are healthy and happy in the workforce and therefore perform to a high standard.
- A clear long-term budget is identified allowing for certainty in the delivery of future services.
- The public are confident in the delivery of Council services.

- Commercial Strategy deliver outcomes that support the overall direction of the Council.
- Children are safeguarded to the highest standards.

5.17 The associated risks have been identified, remain under close review and will be managed throughout the year given that they are key to ensuring the continued delivery of high quality services. In all cases, Directors have targeted where the risk appetite is to be directed for the end of the year.

5.18 Action plans and programmes of monitoring and evaluation are in place and are regularly updated to support both issues over the current and future years. An overall outcome report will be made to the Audit Committee at the end of the year.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information) Accounts and Audit Regulations 2015. International Framework: Good governance in the Public Sector: International Federation of Accountants and CIPFA, July 2014 CIPFA/ SOLACE: Delivering Good Governance in Local Government Framework 2016 edition CIPFA/ SOLACE: Delivering Good Governance in Local Government Guidance notes for English Authorities 2016 edition
Cabinet Member (Portfolio Holder) Peter Nutting, Leader of the Council and Peter Adams, Chairman of Audit Committee.
Local Member: N/A
Appendices Appendix A - Annual Governance Statement 2018/19 Appendix B– Code of Corporate Governance Appendix C - Annual Governance Statement 2017/18 Action Plan Update

Shropshire Council
Annual Governance Statement
2018/19

Good Governance in the Public Sector comprises the arrangements (political, economic, social, environmental, administrative, legal, etc.) in place to ensure that the intended outcomes for all interested parties are defined and achieved. In delivering good governance, both the Council, and individuals working for and with the Council, aim to achieve the Council's objectives while acting in the public interest.

The Council's Code of Corporate Governance, located in the Constitution[1], summarises the Council's good governance principles and details the actions and behaviours required to demonstrate good governance. The seven core principles are:

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
B. Ensuring openness and comprehensive stakeholder engagement;
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
E. Developing the Council's capacity, including the capability of its leadership and the individuals within it;
F. Managing risks and performance through robust internal control and strong public financial management; and
G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability.

Senior managers have provided assurances as to the application of these principles throughout the 2018/19 financial year, where there have been instances of non-compliance, these have been identified and escalated to the top of the Council for action. Where there have been significant directorate changes, assurances have been provided by the new director in post. In so doing, this demonstrates that the Council is doing the right things in the right way for the right people, in a timely, inclusive, open and accountable manner. These arrangements take into consideration all the systems, processes, the culture and values which direct and control the way the Council works and through which it is accountable to, engages with, and leads its communities. **Annex A demonstrates the overall Assurance Framework**.

This statement explains how the Council has complied with the Code and meets the requirements of the Accounts and Audit Regulations 2015. This is supported by a 2018/19 Code of Governance audit which provides a reasonable level of assurance.

A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Members and officers recognise the importance of compliance with the Constitution, specifically Financial and Contract Rules; Procurement Regulations, Scheme of Delegation and Codes of Conduct. All of which are reviewed and updated regularly. Where there have been instances of non-compliance with procurement (Theatre), where the recognised approval process has been circumvented (IT solutions, IGLOO[2]) these have been identified and escalated to the top of the Council for action.

1 https://shropshire.gov.uk/committee-services/ecCatDisplay.aspx?sch=doc&cat=13331&path=0%20
2 Digital workplace solution that enables organizations to move beyond a traditional intranet to a digital workplace; a destination that brings people and resources together to solve critical business challenges — and cultivate a strong corporate culture.

A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Officers also comply with their professional organisations' codes of conduct in delivering services (E.g. HCPC[3], PSIAS[4], Faculty of Public Health), against which assessments are conducted to confirm compliance and identify any improvements required. Adult Social Care (ASC) receive regular focused audits which monitor their compliance with the law e.g. Mental Capacity Act, Deprivation of Liberty; Safeguards, Care Act and the Mental Health Act. Officers lead by example, both directly with their teams and in undertaking their duties across the Council. Areas of concern are identified, reported through appropriate channels and managed effectively under established policies and processes. Integrity, open involvement and honest communication surround changes as demonstrated in both Planning and Digital Transformation Services. The Planning Services functions are delivered in an open and transparent manner utilising online mechanisms in addition to face to face and other communication and the service measures outcomes against quantitative and qualitative indicators to monitor its performance. Both Adult and Children's Social Care have a dedicated Principal Social Worker whose role is to raise the quality of ethical social work practice and ensure values and integrity of social work are improved. The Deprivation of Liberty Safeguards Team works daily to ensure the least restrictive care possible is being received by someone lacking capacity living in a care home or hospital. Civil Enforcement Officers use video badges when undertaking parking enforcement, which ensures a high level of integrity is maintained by them whilst protecting the public, the service and the Council. Human Resource and recruitment policies and processes ensure that the Council is fully compliant with employment law and that no discrimination exists, these are refreshed regularly and agreed in conjunction with the recognised trade unions. This year guidance updates developed and communicated included: General Data Protection Regulations (GDPR), Anti Money Laundering and the Modern Slavery Act. Staff are well supported, receiving training and development opportunities. Senior officers meet regularly and work closely with Members to ensure that they understand and can undertake their respective roles effectively and legally. Work continues to strengthen the investment in the joint Directors/ Cabinet meetings to help deliver better outcomes and model desired culture, engaging Members earlier in developing financial and other strategies. Members and officers are advised on and promote accurate reporting, and recognise the importance of data quality, rules and standards. Feedback from service users is received as part of this process and acted upon. Decisions are documented transparently. Statutory responsibilities across the Council are discharged openly and proactively, examples include having key statutory officers in place (Monitoring[5], Section 151[6] Officer and the Head of Paid Service, Director of Children's Services, Director of Adult Services, Senior Information Risk Owner (SIRO)). Examples of statutory responsibilities delivered include, LGPS[7] Regulations, CIPFA[8] Code of Practice, Freedom of Information (FOI), Elections, Coroner and Registrars' Services. Statutory responsibilities for Special Educational Needs, Education

[3] Registered body for qualified social workers

4 Public Sector Internal Audit Standards

[5] The Monitoring Officer has three main roles: 1. To report on matters he/she believes are, or are likely to be, illegal or amount to maladministration; 2. To be responsible for matters relating to the conduct of Councillors and officers; and 3. To be responsible for the operation of the Council's Constitution.

[6] Every local authority shall plan for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs, this is the Section 151 Officer

[7] Local Government Pension Scheme

[8] Chartered Institute of Public Finance Managers

A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Access, Early Years and place planning, sufficiency and admissions are discharged openly, proactively and in full compliance with Admission Codes. Internal Audit produces a risk based plan each year, working closely with directors and heads of service to provide independent assurance that appropriate standards are maintained or areas of concern highlighted and acted upon. The Council has a zero tolerance to fraud and corruption. Identified concerns are acted upon in a timely manner, which can lead to specific outcomes, learning points and improvements. There is a high level of success in criminal legal proceedings, licensing and parking appeals, which provides external judiciary/tribunal assurance that the decision making within the Council is robust. The Council undertakes a self-assessment of its fraud risks, to identify and understand them. It acknowledges issues and puts in place plans which demonstrate that action is being taken and outcomes are visible. This process is transparent and reports are taken to senior management and those charged with governance. Guidance on 'Speaking up about Wrongdoing' which incorporates whistle blowing is available to staff, Members, the public and contractors. Any irregularities identified will be investigated by Internal Audit or the appropriate officers within services. Audit Committee are responsible for the monitoring and overview of the "Speaking up about Wrongdoing Policy" and receive an annual report. Additional work this year has seen the updating of the Anti-Money Laundering guidance, roll out and refresh of training in this area and in counter fraud generally. The staff survey showed that 50% of respondents agreed that people within the Council acted honestly with 33% recognising it is easy to speak up about wrong doing and confident it will be addressed. An assessment of all results identified the Council as having an ethical framework in place in respect of leadership, management, people, processes, procedures, culture, values, consistency, accountability and assurance. An Equality and Social Inclusion Impact Assessment (ESIIA) and a thorough analysis of consultation methods and responses is undertaken when changing operating models, policies or contracting with other parties. Over twenty ESIIAs have been undertaken and reported in 2018 including for the Parking Strategy and the Shrewsbury Big Town Plan. There was a two-stage consultation on the Early Help Family Hubs during the summer and autumn, which helped to inform the final report to Cabinet.

B: Ensuring openness and comprehensive stakeholder engagement
Openness and transparency, as one would expect with a large public body, is demonstrated throughout. Councillors represent local people in the Council's decision making. All service areas feed into transparent reporting processes, both internally through officer and director groups, and publicly through Council committee meetings. This is further supported by compliance to the Transparency and Freedom of Information agenda, managed in large parts by services and, although sometimes delayed, the Council is compliant with the legislation and steps to improve quality and timeliness are demonstrating improvement. Key decisions are reported, and trialled where necessary, through the senior team and then to Members via Party Leads, Groups, Cabinet and Director meetings. Examples include: Cabinet and Council

B: Ensuring openness and comprehensive stakeholder engagement
reports, policy approvals, and minutes of meetings (FGAT[9], Information Governance, Commissioning and Assurance Board, Digital Transformation Programme Board). The Council engages positively and always sets out to work in a collaborative open partnership approach with several strategic partners including Central Government departments (Cities and Local Growth Unit, Homes and Communities Agency, Broadband Delivery UK), the Marches Local Enterprise Partnership (LEP) and neighbouring local authorities. It is a non-constituent member of the West Midlands Combined Authority; has a proactive Business Board which it services and engages with on key initiatives and policies, this has led to development of the Economic Growth Strategy and helped to launch and promote the Shropshire Growth Hub (part of the wider Marches Growth Hub). The management of One Public Estate is underway with other public-sector partners. A multi-agency high cost placement-funding panel with Children's Services, Education Services and the Clinical Commissioning Group (CCG) has been established to manage high cost placements efficiently. There is monthly dialogue with MHCLG[10] through the LEP management group and BEIS[11] survey and supporting guidance and information for businesses on Shropshire Marches Growth Hub website. Further support through events and seminars held via the Growth Hub. European Union funding is being delivered in accordance with Government timetables. Evidence gathered through cross member task and finish groups engaging with external organisations including NFU[12], Department. for International Trade and Chamber of Commerce to support economic growth approaches. Brexit preparations are in place coordinated by the Council's Emergency Planning team. Weekly meetings occur as part of the Local Resilience Forum. The Council's Economic Development Team are working with the Business Board and Chamber of Commerce to understand issues, provide advice and to signpost to information. Many Council services are delivered in partnership with other organisations such as the Local Strategic Partnership, Fire Service, STaR[13] Housing, West Mercia Energy, Shropshire County Pension Fund, town and parish councils and voluntary bodies and trusts. The Council coordinates the multi-agency Emergency Planning Group, Tactical Coordinating group (TCG), with Telford and Wrekin Council. Council group accounts set out the financial statements providing an overall view of the materiality of the economic activity of the Council. Examples of the Council's work with local partnerships in commissioning, procurement and contract activity include the Mental Capacity Act Lead working with the Shropshire Clinical Commissioning Group(CCG). The Council has continued to develop joint commissioning arrangements with Shropshire CCG, and lead on the implementation of Social Prescribing and the commissioning of the new Wellbeing and Independence Partnership. The Council has also agreed to host the West Midlands ADASS[14] programme and has worked on establishing the practical arrangements for this hosting including collaborative commissioning and procurement activities. The Council is a member of the Community Operating Groups (COGs) which promotes local procurement with other public-sector bodies and representation from businesses through engagement events. It also regularly undertakes early market

[9] Finance Governance and Assurance Team
[10] Ministry of Housing, Communities and Local Government
[11] Local enterprise partnership
[12] National Farmers Union
[13] Shropshire Towns and Rural Housing
[14] Association of Directors of Adult Social Services

engagement exercises to inform its commissioning decisions and procurement processes to ensure it has market knowledge and input from expert markets.

Annually the public is consulted on the budget for the forthcoming year. Other one-off consultation examples include; the Local Plan Review 2036; Shrewsbury Big Town Plan; Local Economic Growth Strategies for six of the key market towns. These consultations engage with organisations, businesses, and residents of Shrewsbury and Shropshire.

Regular interface meetings take place between Children's Services and key partner agencies including the police, CCG, education and health to promote effective partnership working. Service User impact action plans ensure the views of children, young people, parents and carers drive improvements and help to shape future service provision. Children's services actively seek the views of partner agencies when working with individual children, for the purposes of assessment, decision making and planning. Regular multi-agency meetings take place to promote the best interests of the child and family and to improve outcomes. Children's Services engage with Shropshire Safeguarding Children Board. Children's Services last two Ofsted inspections have reported on the good quality partnership working that takes place by Children's Safeguarding and key agencies involved with safeguarding children and looked after children

The performance of maintained schools is monitored according to the School Performance Monitoring (SPM) criteria. The Shropshire Protocol for Monitoring the Performance of Academies provides monitoring criteria and challenge to academies. Engagement of stakeholders in securing the sustainability of schools through federation is co-ordinated through Governor Services.

Adult Social Care utilises several communication and engagement channels, these include; First Point of Contact; Keeping Adults Safe in Shropshire Board; Shropshire Accident and Emergency Delivery Board; Shropshire Partnership In Care (SPIC) and learning from complaints. Information collected has informed the main priorities of *Our Vision and Strategy for Adult Social Care 2018/19 – 2020/21*. An Annual report was published to reflect this and one of the identified successes of the year was the pulling together of all the Adult Social Care and Children's Services Partnership Boards at an Annual Summit Event

Council links with Better Care accommodation schemes to enable older people to remain in their own homes for longer, and houses people successfully under the Home Ownership for Clients with Long Term Disabilities (Buy to Live) scheme. The Council has a strong focus on providing opportunities for people with disabilities to live as independently as they are able, and commissioning of supported living accommodation aims to support this ethos. Continued work with the Shropshire Partnership Prevention Programme draws together current prevention activity (from Adult Social Care, Public Health, the Health and Wellbeing Board, Better Care Fund, Shropshire CCG and Provider partners), while developing new prevention activity, into one programme to increase independence and reduce demand on services. This programme relies on working together in partnership with Shropshire communities to improve people's health and wellbeing

The Council works with the Voluntary and Community Sector Assembly including continuing to recognise and promote the Compact[15]. The Council has engaged extensively with Voluntary Sector organisations, stakeholders and customers to plan and recommission preventative services for adults. This encompasses practical help in the home, being active, housing support and fair access to consumer and civil advice, advocacy and welfare benefits support.

[15] The Shropshire Compact is an agreement that sets out the "rules of engagement" for how Shropshire Council and the voluntary and community sector (VCS) should work together for the benefit of the people they serve.

B: Ensuring openness and comprehensive stakeholder engagement
Regular engagement between Public Health, CCG and Adult Social Care for the future provision of services is in place. This includes the agreement of Continuing Health Care funding on a case by case basis through to service redesign and commissioning as part of the Better Care Fund (BCF), the Transforming Care Partnership (TCP) and the Strategic Transformation Plan (STP) in conjunction with the Health and Wellbeing Board. An independent STP Chair is now in post, the CEO and Director of Adult Services attends the Senior Leadership Group to influence and shape development. The Council is looking for a more central role in relation to place planning and integration. The Local Government Association (LGA) Peer review, conducted in April 2018, recognised an increased focus on economic growth and infrastructure. Throughout the year actions have been delivered against this.

C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.
The Council's Corporate Plan has been revisited for 2019/20 to 2021/22. It provides a focus across priority outcomes and actions for the longer, medium and shorter terms. The Council Vision, 'Innovate to thrive,' covers the following priorities: more people with a suitable home; care for those in need at any age; a good place to do business; a healthy environment; sustainable places and communities, and embrace our rurality. These are underpinned by more specific themes which focus on benefits including a continued focus on communities being enabled to do more for themselves (social), promoting clean growth and safeguarding natural assets such as water quality and supply, and a focus on economic growth through appropriate investment and skills development. The plan has been communicated to all staff and members, new measures for the performance management framework are being finalised with directors and members, and will include key milestones for the delivery of strategies and projects. It has been recognised that the Commercial Strategy needs to be refocused and realigned to the wider corporate strategies to enable the required income to be delivered. There has been increased focus on the Economic Growth Strategy, the key objective of which is to support and drive increased economic productivity, deliver financially and socially driven outcomes and maximise environmental benefits. A Financial Strategy is drawn up aligned to service outcomes and the long-term sustainability of the Council. All documents provide a direct or in-direct flow from the Council's Corporate Plan and the strategic objectives. The Financial Strategy sets out the short and long-term implications for service delivery across the Council. A new Financial Strategy was developed over the 2018/19 financial year, and by February 2019 a five-year plan was approved by Council with a strong focus on minimising impactful changes ahead of the Fair Funding review exemplifications due later in 2019. This revised Strategy creates a balanced budget for 2019/20. Funding gaps are predicted for 2020/21 to 2023/24 and the long-term strategy for managing these will be considered in detail during 2019/20 as details of government funding and redistribution models into the future are shared. The Sustainable Business Plan developed in late 2015 remains, a valid interpretation of the implications for the Council of the current funding formula and sets an approach to deliver a balanced budget, albeit at the expense of most services currently being delivered. All council reports are required to consider financial implications, risk and opportunity, alongside economic, social and environmental concerns. A new Capital Strategy is in place for 2019/20 to 2023/24 with clear objectives and a framework, within the CIPFA codes and statutory legislation, by which new projects are evaluated to ensure that all new funding is targeted at meeting the priorities of the Council's

C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.
Corporate Plan. Savings delivery is a key part of ensuring a sustainable budget going forward and delivery progress is monitored very carefully by Finance officers, reported to Cabinet quarterly and to directors more frequently. Finance Business Partners regularly advise officers on the long term financial impact of their proposals as well as any conflicts with regulatory requirements or policies. Local Government Pension Scheme (LGPS) Central Limited has been established (£45 Billion FCA[16] registered company), across nine Local Pension Funds of which the Shropshire County Pension fund is one. Governance arrangements are led by the Company's Board and the Council has invested £230m during 2018/19. The Local Plan Review process integrates several sustainability assessments. This includes both Sustainability Appraisal and Habitats Regulation Assessment, consistent with the requirements of national policy and consultation documents. Sustainable development principles are fundamental to the determination of all new development proposals across Shropshire. They are embedded in both the locally adopted development plan policies and national guidance, and all officers are aware of the need for sustainable considerations to be at the forefront of plan making and decision taking; Outcomes and outputs are defined and managed through robust project management and contract governance in all service areas, examples are the Digital Transformation Programme, Capital Investment Board and Commissioning Assurance and Performance Board. The Boards have become further embedded providing assurance, identifying risks and exploring mitigations required to ensure delivery of key projects. The Council and its partners have a shared Social Value Charter. It promotes and embeds social value in commissioning and procurement practice and provides a basis for measuring the extent to which social, economic and environmental benefits have been delivered. A Social Value training package is available to staff on 'Leap into Learning'. The Council routinely include Social Value Criteria within their procurement processes to explore the social value benefits that contractors deliver whilst providing services to the Council, examples include: WSP (Engineering Services Consultancy), Veolia and Serco contracts. Government grant has been awarded to deliver the North-West Relief Road, the largest single project undertaken by the Council which will improve transport routes in this area. Ofsted data shows that in Shropshire 90% primary schools are good or outstanding compared to a national average of 87% (as of 31/8/2018) and 89% of secondary schools are good or outstanding compared to a national average of 75% (as of 31/8/2018). Adult Social Care is primarily focused on the social benefits of improving the well-being of those it provides support to, including carers, but such services will also assist Shropshire economically and environmentally in areas such as sustained supported employment; prevention activities; resilient communities and healthy lives; performance reporting and monitoring; the right interventions and promoting the use of innovative technology.

[16] Financial Conduct Authority

D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

The LGA Peer review conducted in April 2018 identified that the Council had a strong sense of identity and commitment with ambitious leaders. There was evidence of delivering good services at low cost including some significant projects. All eleven recommendations were accepted by the Council and a high-level action plan is in place. Progress on actions was included in a report to Council in February 2018 and ongoing reviews of progress and plans takes place through Directors, most recently at their workshop on the 3 April 2019. A follow up visit by members of the Corporate Peer Challenge Team to review progress has been arranged for September 2019.

All decisions are taken correctly either through delegating to officers or by Cabinet or Council. Reports are considered by Legal, Finance and Risk Management Services before decisions are made to ensure they present the information required for members to make a reasoned decision.

All service areas produce performance and budgetary information for planning purposes and act on the implications of this information. Where this suggests inadequate performance, this is acted upon. All new developments are considered, formally or informally, by Risk Management staff and Finance Business Partners before reaching decision points.

Budget Consultation is undertaken annually, and consultation with Members through party groups and leaders as requested. The Financial Strategy identifies the short and longer-term approaches to managing the budget and considering the options for delivering a self-sufficient council in the future, aligned to the Council's Corporate Plan. Implications for delivery of services and/or increases in resources are reported throughout the Council and through the support of, for example Business Partners, understood and acted upon. Services do not overspend without appropriate action being taken and where this is not possible, appropriate justification provided. Service structures map structures where necessary, ensuring appropriate alignment with Council priorities.

Capital Investment Board chaired by s151 Officer oversees significant future investments aligned to Council priorities and key strategic objectives (income generation, reduction in costs, and achievement of social value). The Hopper and Pipeline processes provide a business case methodology and investment prioritisation approach ensuring project due diligence work is undertaken before Cabinet take any key investment decisions. Project examples this year include: Shrewsbury Shopping Centre; Tannery development including student accommodation; Ludlow Assembly Rooms; Paul's Moss and Shirehall Redevelopment considerations. The IT Approvals Board provides challenge to potential IT solutions and ensures their fit with the IT Strategy. There have been a small number of projects escalated to the top of the Council for a decision where a difference of approach was identified.

In Place and Enterprise, a continuing level three rating was achieved in Highway Maintenance, to ensure the maximum capital funding from the Department for Transport. The Commercial Strategy has been identified as requiring review and recruitment is underway to help deliver future commercial income targets. A new Housing and Regeneration Development Company has been established to affordable deliver homes going forward. A Climate Change Strategy has been adopted. Management of the Corporate Estate has delivered substantial improvements over the year.

National Accreditation for the Archives Service continues to drive up standards and lead to better outcomes for customers; The Shropshire Museums Service Strategy (2018 – 2023) supports the service in providing a high quality, well-organised and accessible collection that helps to tell Shropshire's stories; Connecting Shropshire has a defined Local Broadband Plan which defines the Council's strategic direction for Broadband, this is an area of infrastructure

D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

that has become critical for residents and businesses and has a key role to play in supporting economic productivity and dealing with challenges of accessing services and rural isolation.

Given the high demand for adult care services, processes ensure services are allocated fairly to those who meet the criteria for eligibility. Limited resources are allocated fairly in accordance with statutory eligibility criteria by utilising several mechanisms including: brokerage, robust systems connecting users and providers in the care market; contract management, (robust quality assurance processes to ensure support is appropriate and proportionate to promote independence); focus on quantitative and quality performance; and Shropshire Choices Information Portal provides Public Factsheets. In addition to statutory performance data submitted for the safeguarding adult return, local performance measures are being developed to monitor activity and provide qualitative information on safeguarding risks.

Children's Services are delivering against a Joint Targeted Area Inspection (JTAI) Action Plan to address the recommendations of the Ofsted Inspection. Individual Work Plans are also in place across several teams which are subject to improvement i.e. Independent Reviewing Unit, Leaving Care, Joint Adoption Service.

Significant parts of Digital Transformation Programme have been delivered. Social Care core modules (Liquid Logic) CRM and My Shropshire Portal and Business Transformation (ERP Business World). The effectiveness and impact of these new systems on the internal control environment will be reviewed in 2019/20. A fully tested Disaster Recovery / Business Continuity capability for the Council's IT systems is in place.

Progress against staffing and work-related stress risks has been marginal. The Council continues to find it challenging to recruit staff with the correct skills, knowledge or experience. This impact is now wider than the positions that have traditionally been hard to recruit to and extends to generic posts in support services (i.e. finance, ICT, HR). The pay policy was reviewed to address the pay drift Shropshire had with other local authorities by restoring rates of pay with national ones. To help mitigate work related stress, a range of wellbeing events have been held over the year and have been well attended, the 'Health MOT' sessions have been fully booked. Currently the 'Step up to feel good,' initiative is encouraging staff to get more active during the working week. Absence for stress has dropped but remains high.

E: Developing the Council's capacity, including the capability of its leadership and the individuals within it.

The LGA Peer review identified enthusiastic staff, engaged with plans for transformation which are ambitious, challenging and have pace. They recognised the need for the Council to consider how staff deliver business as usual as well as transformation. The Future and Senior Leaders Programme had clearly been valued and is having an impact. Recruitment and retention challenges are affecting capacity to deliver some services but there are opportunities to harness business and other partners to add capacity e.g. research, digital skills inclusion, volunteering. Basic IT skills training for staff and members is continuing and the focus on broadband and mobile access as an enabler maintained. Utilising the apprenticeship levy to upskill the workforce continues with funds being fully utilised.

Officers and Members understand their respective roles, these are set out in job descriptions, the Constitution, Part 8 Delegations, Contract and Finance Rules. These responsibilities and accountabilities are understood and reviewed on a regular basis. In addition, all members continue to receive training throughout their four-year term and performance appraisals are in

E: Developing the Council's capacity, including the capability of its leadership and the individuals within it.

place for officers. Members are briefed on new and emerging local government initiatives and the e learning portal provides other pieces of helpful training. Portfolio Holder roles have been recently refreshed and reporting through senior management and members identifies accountability.

A staff survey reported 78% of employees enjoy the work they do most days with 75% understanding what is expected and clear of their objectives; 75% know how their role contributes to priorities; 66% agreed that their manager regularly lets them know how they are doing and 65% feel comfortable challenging ideas and decisions with their manager; 62% agree that when they make a mistake, they are supported and there is a wish for them to succeed and 55% can access the training and development opportunities required to be effective in their role.

Leadership results were not as strong; 29% agreed that the Council's political leaders and 41% of the Senior Management team are ambitious for Shropshire; 14% agree that officers and elected members work well together and 17% agree that the Council uses its resources appropriately and spends public money responsibly. Key issues employees wanted to change included the working environment; clear directions supported by robust decision making at all levels; more two-way communication and knowing about changes before they are reported publicly. The ability to work flexibly, make a difference, and work with capable, supportive and proactive teams were identified as the best things about Shropshire. Action plans will be in place to deliver improvements going forward specifically to reduce work related stress and further improve staff wellbeing.

Section 151 update meetings and governance meetings with the Director of Workforce and Transformation, Monitoring Officer, s151 Officer and Head of Audit are established and undertaken regularly to consider governance issues as they arise.

Tools in place to support the clarity of officer roles and the development opportunities provided to them include; Workforce Strategy; team and service plans; risk management reporting through to Cabinet, Audit and Scrutiny Committees; Learning Pool[17]; performance management process; renewed focus on sickness absence; lunch and learn sessions; CPD[18] programmes; regular reporting to Health, Safety and Welfare group; knowledge sharing systems; team meetings and one to ones; improved strategies (IT, Asset, Financial, Communications, etc.); and mentoring and sounding boards for the support and development of staff.

The IT service has been restructured with most senior roles now in post. This change reflects best practice, IT management methodology of ITIL[19], specifically the process of capacity management which scopes the skillsets required to fulfil the services needed by customers, both now and in the future. This change is helping the IT service to react to new demands whilst continuing to deliver the existing core requirements of the Council and other customers. Taking the ITIL's theme of Continuous Service Improvement (CSI) the service has moved to an Outcome based approach, seeking problems from customers that can be addressed with technology. This, combined with an improved approach to training and support, is upskilling the workforce, which will help with service provision whilst identifying opportunities to achieve beneficial outcomes using technology.

[17] E learning package
[18] Continuing professional development
[19] Information Technology Infrastructure Library

E: Developing the Council's capacity, including the capability of its leadership and the individuals within it.

Leap into Learning, an e-learning tool, to support staff development has had increased modules developed. A second Leadership Programme has been successfully delivered across the Council, further cohorts are planned alongside recognised management professional qualification delivery. Cohorts of individuals are currently undertaking the Level 5, 6 and 7 in Leadership and Management through the apprenticeship route, utilising levy funds.

All Highways and Transport staff have been trained in formal Institute of Civil Engineers Contract Management from day courses to full Service Manager award. A restructure of Highways and Transport, and increased resources into the contract management team will support future requirements. NEC[20] contracts, project management and procurement strategy training across the Highways team. and wider training and development across the Property Services management team, has resulted in an increase in contracts won; National accreditation programme for Highways Inspectors as part of the new Code of Practice for Highways; and officers undertaking recognised management qualifications (MBA). Local Governance Boards are in place for high value re-commissioned contracts e.g. Highways, Broadband. Negotiation training delivered to relevant officers across the Council.

Adult Social Care have a dedicated Lead Practitioner whose role is to ensure a smooth transition from children to adult services, this helps promote young people achieving their potential and realising their ambitions. The Council adheres to revised DoI's[21] legislation and has a National Lead officer in this field. Work with Shropshire Partners in Care (SPIC) and the Care Workforce Development Programme (CWDP) ensures the workforce across all commissioned services are trained and appropriately skilled to support vulnerable adults

Removal of the Education Support Grant in 2017 resulted in a significant loss of funding for EIS[22] and EAS[23] services to schools (from Learning & Skills), as well as HR (which sits outside Learning & Skills). This loss of funding continues to impact on the Council's ability to maintain the required capacity to meet statutory requirements in these service areas, presenting an increased risk to the effectiveness and deliverability of these services. Through Shropshire Schools Forum, approval has been secured from maintained schools to continue to top-slice part of the DSG[24] to contribute to funding of EIS for a further year. This funding is used to commission in several associate headteachers to undertake work on behalf of the EIS and to provide a flexible model of working that can adapt to needs. In respect of EAS, the top-slice meets the costs of provision to maintained schools, while academies can secure support through traded arrangements.

Children's Services social work capacity has been boosted to reflect increased demand with a view to reducing caseloads. Recruitment and retention of social workers is a key priority and retention payments have been agreed for teams where the Council struggles to recruit. The Ofsted Action plan is now concluded and the JTAI identified progress against Ofsted recommendations, the JTAI Action Plan now in place.

[20] New engineering contract
[21] Deprivation of Liberty Safeguards
[22] Education Improvement Service
[23] Education Access Service
[24] Dedicated Schools Grant

F: Managing risks and performance through robust internal control and strong public financial management
Services report routinely and regularly through to Council Committees such as Cabinet, Audit, Pension and Scrutiny Committees. They pro-actively input into the annual audit programme, strategic, operational and project risk reviews. Both strategic and operational risks are reviewed regularly by senior managers and directors for learning points and action, and are reported through to Informal Cabinet and Audit Committee. Risks are also identified and managed in service and team plans. There is promotion of the Opportunity Risk Management Strategy across the Council and, through its application, a positive approach to managing risk is delivered when focusing on achieving the required outcomes and objectives. Large projects, such the Digital Transformation Programme (DTP), Northern Relief Road and the new housing company are supported with the compilation of their risk registers. DTP business risks were further challenged by the DTP Assurance Board which added a further layer of governance to this well managed programme. A risk matrix is operated by the Contracts team in relation to Adult Social Care (ASC) contractors. High risk contractors are prioritised for monitoring and intervention based on several factors including: the number of individuals receiving a service; regulatory inspections; complaints; reported issues and safeguarding concerns; information from Health and other partners. A rolling programme of financial credit assessments is now undertaken by Adult Social Care and the Contracts Team across care sector contractors with priority given to those with a higher spend. Regular financial credit assessments are conducted on key suppliers. Data and intelligence requirements are being built into contracts as they are developed, e.g. the Independence and Wellbeing (Prevention) contract. This is an ongoing area of focus for the Council and will need to continue to be implemented as commissioning takes place. Provider complaints reporting has been built into all contracts. An awareness and training session for ASC providers was delivered in the autumn and was well received. There is a good working relationship between the Customer Feedback team and Adult Social Care Safeguarding. Non-section 42 referrals are shared with the team to be investigated as a complaint. All financial decisions are reported through to Cabinet, Council and Scrutiny Committee in an appropriate and transparent basis and challenge welcomed from members and officers. All budgets, actuals and variances are reported regularly with supporting information trails. The Financial Strategy identifies a short-term budget plan and a long-term aspirational plan linked to the Corporate Plan for a self-sustaining Council. A full risk assessment is undertaken in support of this. Final Accounts are produced on time and in-line with best practice and have an unqualified audit opinion. It is recognised that there were some issues with debt collection processes however, plans are in place to address these with the introduction of new digital solutions. Based on the work performed by the External Auditor to address the significant risks, they concluded that; 'the Council had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources'. The Council approves the Robustness of Estimates and Adequacy of Reserves paper each year. This report demonstrates the financial resilience of the local authority, for example: the need to hold a General Fund Balance with a target level and explanations for variance, details and categorisation of all earmarked reserves and provisions and details of previous year outturn variances. The Council, despite significant financial challenges, has delivered an underspend of between £0.3m and £2.8m each year since 2013/14. Information management training is undertaken by all staff and senior staff report this through to the SIRO. All data has assigned owners, these are regularly reviewed. Information Asset Owners complete annual Information Governance Assurance Statements. Data is held across many systems by different teams. It is stored on secure drives and databases that are protected in accordance with approved policies. Investment in Flowz, an information

F: Managing risks and performance through robust internal control and strong public financial management
management system, is enabling a more consistent approach to the management of data assets. The local authority has continued to conduct its own business continuity management and emergency planning exercises and participated in multi-agency exercises. Full action plans are created following the exercises and these provide both assurance and learning points for future development. Quarterly Corporate Performance Reporting using the Performance Portal is delivered, making information more accessible to members, officers and the public. Key information is data quality checked, for example by applying the Data Quality Toolkits for Adults and Children's Social Care, and the checking carried out on statutory return data. Services manage their performance through several methods: quarterly Quality and Performance meetings with team managers and service managers to review feedback from case file audits, complaints, service user feedback, performance data and the use of dashboards. Quality and performance is a standing agenda item on team meeting agendas and exceptions are escalated up through management structures. Across the Council, 84 complaints and enquiries were made to the Local Government Ombudsman and Social Care (LGO). Of those, 25 resulted in an investigation outcome, 17 were not upheld and eight were. The LGO reports Shropshire Council's upheld rate at 32%. The Council continues to learn from associated feedback. Internal Audit sets a balanced and risk assessed programme each year identifying the key areas for review and the need for assurance. High risk areas not subject to review are identified to enable senior management and members to gather and seek their own assurance as necessary. Audit Committee undertakes a regular self-assessment, challenged by officers and External Audit, and undertakes regular training sessions based on the identification of areas for improvement and key risks and fundamental knowledge-based needs. Over the year service managers have been required to attend Audit Committee to provide assurance not otherwise secured on their control and risk management environment. Based on the Internal Audit work undertaken and management responses received; the Head of Audit has offered reasonable assurance for the 2018/19 year that the Council's framework for governance, risk management and internal control is sound and working effectively. She reported that generally, risks are well managed but some areas require the introduction of, compliance with or improvement to internal controls to ensure the achievement of the Council's objectives. She recognises that 2018/19 has been a challenging year, given the level of key fundamental line of business system changes delivered (social care, customer services, financial and human resources) and the embedding of these continues. Alongside the challenge to deliver savings and increase income (Commercial and Digital Transformation). Scrutiny has an increased focus on pre-decision (overview) work, providing the opportunity for non-executive Members to inform the development of policies and decisions. A strategic work programme is in place, developed with Scrutiny members directly linked to the Council's medium-term outcomes and objectives set out in the Strategic Action Plans which form part of the Corporate Plan. Committee work programmes provide a mix of meetings and task and finish groups which create opportunities to carry out in depth scrutiny.

G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability
As a public body, the Council has a high level of transparency in its activities and reporting and complies with the relevant legislation. Information is reported and shared through various routes including Council, Cabinet, Scrutiny Committees and with partners, via for example the

G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Local Enterprise Partnership and Management Committee. Regular briefings are held with portfolio holders and ward members are engaged on local matters.

Scrutiny committees and meetings, such as Shropshire Children's Trust consider new strategies, plans and performance outcomes are discussed. In Economic Growth performance of developer spending contributions have been the subject of a detailed cross-party member task and finish group reporting to Performance Management Scrutiny Committee with recommended changes.

The Commissioning and Assurance Board continues to embed and has been integral in managing key decisions, such as the Shrewsbury Shopping Centre Project. The Information Governance Group is implementing and monitoring progress of General Data Protection Regulations and improved FOI processes have impacted positively on resulting statistics.

Reports are written and communicated to the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience ensuring that they are easy to access and interrogate. The Council's Communication team works with officers and members to ensure key messages are conveyed in plain English and appropriate formats which do not discriminate against any member of society.

Both Children's and Adult Social Care have a high level of transparency in decision making and involving service users in the process. The services are often challenged and held to account for the decisions made which are supported by employing a variety of techniques that include: performance reporting and dashboards; financial modelling (e.g. Adult Social Care Growth Model); liaison meetings with CQC held jointly with Telford and Wrekin Council and Health Watch. Through ongoing reporting and auditing of hospital discharges, Adult Social Care has been able to constructively challenge hospital data where necessary and apportion correct accountability between organisations. This work has also been instrumental in the monitoring of the Council's own internal processes to improve good practice. Detailed Children's Trust reports have focused on school performance, elective home education, pupil exclusions, special educational needs and gaps between the performance of specific groups of pupils (such as those who are disadvantaged) and their peers.

Quarterly performance reports are provided from Connecting Shropshire to the Marches LEP for the growth deal funding. These are then reported at LEP management group and to the LEP Board which both have representatives of Shropshire Council. A cross party elected member briefing group has been established for the Shopping Centres and future development of the Riverside area. This meets on a quarterly basis and receives updates on performance, business plans and financial forecasting.

All service areas are subject to internal audit review with significant key systems falling under annual review given their status. Internal Audit recommendations are considered by the senior team on a regular basis for good housekeeping and to identify additional learning. The information also provides a position statement on the risk appetite of the control environment and its resilience to any challenges.

In their Audit Findings for the year ended 31 March 2018, the External Auditor provided an unqualified opinion on the financial statements and an unqualified Value for Money (VFM) conclusion.

Both Internal and External Audit can be invited to review issues once they have gone through the appropriate management review processes to provide a level of independence, an example of this is the management and control of the Market Town Revitalisation Programme.

G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability
Public Protection is subject to inter authority audits of Food Standards Service and statutory returns are submitted annually for Food Safety, Food Hygiene, Permitted Processes and Private Water Supplies. The Local Government Association conducted a Corporate Peer Challenge early 2018/19 to allow the Council to learn from others and target future improvements. There has been on going delivery against the improvement plan which has led to improvements in year.

Significant governance issues

Satisfactory governance exists but improvements are required to meet good governance standards and to achieve this, the main challenges facing the Council appear in the **Appendix** below and are set in the context of delivering services to acceptable standards whilst achieving the £18.5m budget savings required in 2019/20 and managing the remaining structural funding gap of £35m, growing to £57m by 2023/24 as identified as part of the Corporate Plan and Financial Strategy

Leader

CEO/ Head of the Paid Service

Appendix: Significant governance issues

To ensure services are delivered to acceptable standards whilst achieving the budget savings required whilst managing strategic risks, the Council will strive to achieve the following outcomes:

	Targeted outcome	Risk Target	Strategic Risk	Activity	Lead Officer	Completion date
1.	Services review, identify and deliver efficiency savings, financial assumptions become more refined and budget plans are in place to deliver services within the resources available.	High	Lack of clarity from Central Government on the future funding levels and changes to Local Government powers and financing, plus increased uncertainty re: local resources which inhibits the ability to calculate future budgets (including funding methodology).	Central Government Funding mechanism is expected to change because of Fair Funding and Business Rates Retention from 2020/21. Early sight of implications, modelling of suspected impacts and responses to all consultation requests is essential. Future funding levels are now closely aligned with new rules under Prudential Code for Council to produce a 20-year Capital Programme expressed within a revised Capital Strategy. This strategy to be linked with other corporate strategies in place. NHB may be abolished from 2020/21, worth £7.2m in 19/20 and a significant (absolute and relative) benefit to Shropshire. This has been raised with Directors and Members and will form part of lobbying with local MPs. Currently still working to 2020/21 for the potential abolition of NHB. Council will need to identify an alternative for £7.2m NHB[25] currently being utilised in the Financial	James Walton	April 2020 July 2019 Sept 2019

[25]

	Targeted outcome	Risk Target	Strategic Risk	Activity	Lead Officer	Completion date
				Strategy prior to this indicative abolition date; alternative funding or additional savings. Initial exemplification produced by SCT[26] to model impact of fairer funding. Adult Services modelling suggests Shropshire would benefit, but potentially by too small a margin to make a significant impact. Further work to be undertaken and actions will then arise.		June 2019
2.	The workforce can effectively deliver the objectives of the Council and meet its priorities. The workforce has the right people in the right place at the right time, but allows flexibility to adapt and change to economic, and external factors. Levels of sickness absence is low, staff are trained and competent in their roles and morale is high.	High	Inadequate retention and recruitment of experienced and qualified staff results in insufficient capacity and experience to sustain Council's service provision.	Workforce Strategy to be reviewed in line with the Target Operating Model work and updated with the creation of Organisational Development Strategy/Plans to support. Re-structure of Human Resources team to allow senior officers to spend time on transformation Report to Directors in the new year with outcomes/recommendations following the staff survey of 2018. Communication out to the workforce "You Said, We Did" thereafter.	Michele Leith	30th June 2019 July 2019 April 2019

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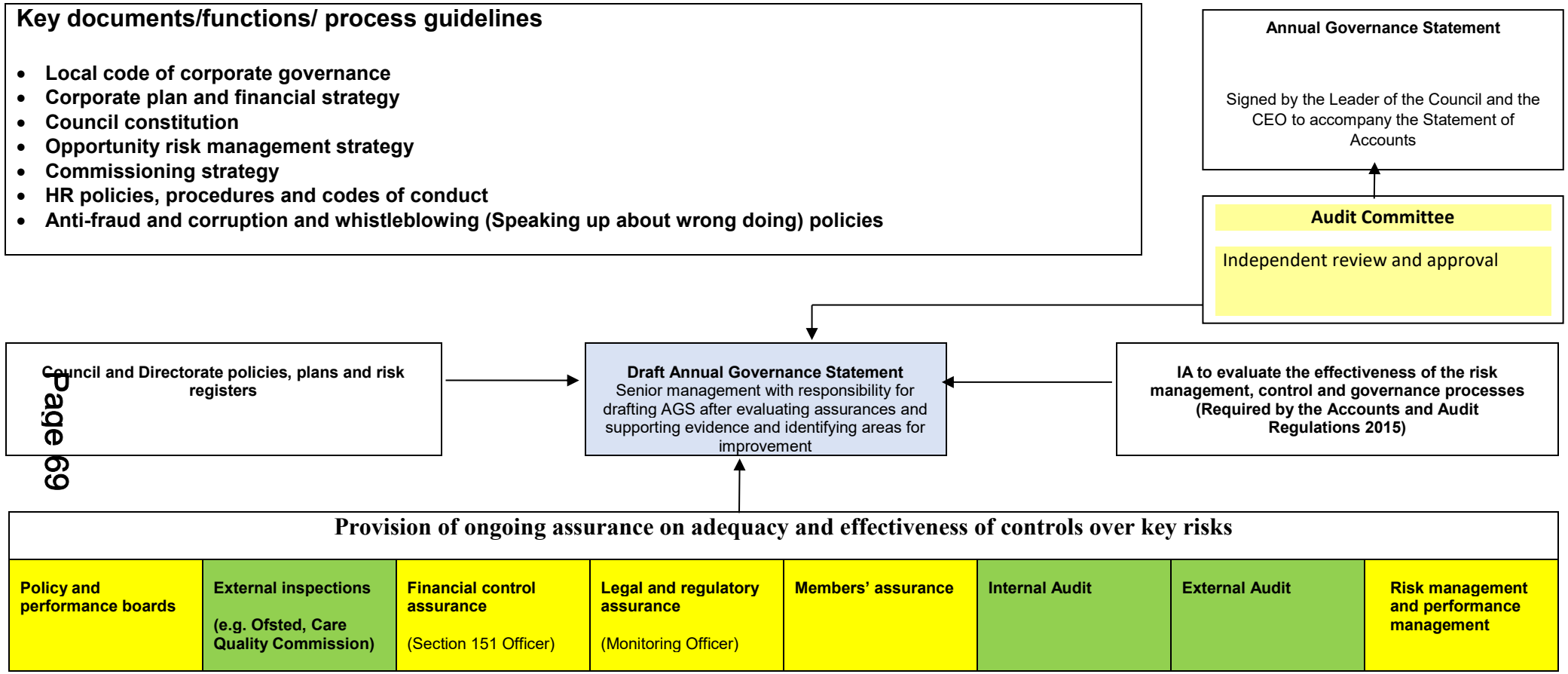
	Targeted outcome	Risk Target	Strategic Risk	Activity	Lead Officer	Completion date
3.	Staff are healthy and happy in the workforce and therefore perform to a high standard.	High	Increases in work related stress impacts the ability to deliver Council outcomes.	Review of the 'one stop shop' for workplace wellbeing on the staff intranet to raise profile and ensure information is relevant. Further proposals for policy change (sickness absence) will be presented to Directors as well as an update on current sickness levels to consider following the work of the joint working group. Action plan to be produced following investigation of context of work related stress. Profile of work related stress to be raised with reports going to Health and Well-being Board Development on mental health awareness at work – resources and tool kit A bid has been put forward for funding for the monthly staff MOTs to continue due to charges being applied from help2Change. These have currently been put on hold.	Michele Leith	31st December 2019 30 June 2019 30th June 2019 June 2019 July 2019
4.	A clear long-term budget is identified allowing for certainty in the delivery of future services.	High	Inability to ensure income exceeds expenditure for the years 2019/20 and beyond for outcomes to be delivered.	Stage 3 of the financial Strategy, looking at 2020/21 and beyond will be drawn together for consideration by Cabinet/ Council in Spring 2019. Directorate objectives to be agreed for each Director linked closely to Financial Strategy requirements in Stage 3.	James Walton Clive Wright	June 2019 May 2019

	Targeted outcome	Risk Target	Strategic Risk	Activity	Lead Officer	Completion date
				Savings - Key area of delivery in "Innovation" pillar: transformation of the Council to deliver efficiency savings in the order of £6m - £10m. work to develop a Target Operating Model, efficiencies through mobile and flexible working and consolidation of systems is being planned through a working group including Directors and Cabinet Members (including the Leader).	Michele Leith	September 2019
				Savings – Key area of delivery in "Innovation" pillar: Consolidation of our Estate through the 'One Public Estate' programme. Asset management strategy being refreshed to align with the capital strategy and commercial strategy.	Tim Smith	May 2019
				Council disposals list updated to align with capital receipts target in the capital strategy approved by Council on 14th February 2019.	Tim Smith	May 2019
				Workshops with Directors and Cabinet required to examine further areas for savings in 2020/21	James Walton	June 2019
5.	The public are confident in the delivery of Council services.	High	Reputation: Loss of reputation and public confidence in the Council by failing to meet public	Communications strategy produced for review by Directors.	Michele Leith	November 2019

	Targeted outcome	Risk Target	Strategic Risk	Activity	Lead Officer	Completion date
			expectations and identified need.			
6.	Commercial Strategy delivers outcomes that support the overall direction of the Council.	High	Failure to deliver the Commercial Strategy prevents the Council from meeting the corporate outcomes.	Commercial Strategy refresh. This strategy will be linked to the Capital Strategy. Identify opportunities to operate in a more commercial way that are enabled by developments including new IT systems. Senior Leaders quarterly sessions to develop ideas for innovation into projects (ongoing) Conference focussing on Leadership and Digital taking place to showcase Shropshire, commercial services and to maximise income generation opportunities.	Mark Barrow Michele Leith / Tim Smith Michele Leith Michele Leith	June 2019 March 2020 May 2019 September 2019

Annex A

ANNUAL GOVERNANCE STATEMENT (AGS) ASSURANCE FRAMEWORK



Key to levels of assurance
First line of defence
Second line of defence
Third line of defence

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Appendix B

Shropshire Council Local Code of Corporate Governance

LOCAL CODE OF CORPORATE GOVERNANCE
INTRODUCTION

The International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) defines governance as follows:

> *"Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved"*

The International Framework also states that:

> *"To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times".*
> *"Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders"*

GOOD CORPORATE GOVERNANCE

Shropshire Council is committed to achieving good corporate governance and this Local Code describes how the Council intends to achieve this in an open and explicit way. The local code is based upon the CIPFA SOLACE framework "Delivering Good Governance in Local Government" (April 2016). As laid out in the guidance it "*is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities".* Consequently, the local Code has been written to reflect the Council's own structure, functions, and the governance arrangements in existence.

*The local code is based on the following seven principles, the first two of which underpin the remaining five with the overall aim of "**Achieving the intended outcomes while acting in the public interest at all times".***

The principles are as follows:

Acting in the public interest requires a commitment to and effective arrangements for:

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
B. Ensuring openness and comprehensive stakeholder engagement

In addition to the overarching requirements for acting in the public interest in principles A and B, achieving good governance also requires a commitment to and effective arrangements for:

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
D. Determining the interventions necessary to optimise the achievement of the intended outcomes
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
F. Managing risks and performance through robust internal control and strong public financial management
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Many of the requirements of the code are included in the Council's constitution and the Council's key strategies and policies.

Library folder - Shropshire Council Constitution — Shropshire Council

MONITORING AND REVIEW

The Code of Corporate Governance is subject to annual review. This review includes an assessment as to the effectiveness of the processes contained within the Code. This includes annual assessments such as:

- Annual review of the Constitution
- Annual reports of portfolio holders
- Annual reports of the Scrutiny Committees
- Head of Internal Audit Annual Report
- Audit Committee Annual Report
- Council Customer Feedback Report – Complaints, Compliments and Comments
- External Audit Annual Letter

The outcome of this review is reported in the Annual Governance Statement.

The following details how the Council meets the core principles and the systems, policies and procedures it has in place to support this.

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	
Rational: Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.	**Shropshire Council's commitment to achieving good governance is demonstrated below:** **Behaving with integrity** • Developed a Code of Conduct for members to ensure that high standards of conduct are maintained. • The Monitoring Officer will review any breaches of the Member Code of Conduct. • The Localism Act 2011 abolished the requirement for the Council to have a statutory Standards committee though the Council has retained a non-statutory committee that can meet if required. Standards Committee met on the 17/5/18 to appoint a Chair and Vice Chair. Standards sub committees met on three occasions to consider conduct issues, 20/4/18; 28/6/18; 11/9/18; 4/2/19. • An Employee Code of Conduct that sets down standards of behaviour and conduct the Council expects of its employees. • Standard decision making reporting format to ensure that all those responsible for taking decisions have the necessary information on which to do so. • There is a Code of Conduct in relation to the acceptance of gifts and hospitality and all instances must be recorded. Advice and guidance is provided to staff and members on the intranet. • In accordance with the Localism Act 2011 Registers of Members' pecuniary interests are recorded and published on the Council's website. • Members' declaration of interests are a standing item on all agendas. Minutes show declarations of interest were sought and appropriate declarations made. • Protocols for members on Council Representation on various outside bodies. • A Corporate Feedback Policy that is published on the Council's website and is supported by a Complaints, Compliments and Suggestion on-line form. • A Policy for raising a concern "Speaking Up About Wrong Doing" (Incorporating the Whistleblowing Policy) is in place to protect individuals. **Demonstrating strong commitment to ethical values** • A Constitution which sets out delegations of the executive, committees and senior officers, and the decision-making process to be applied. It also emphasises that the Council will act within the law. • Terms of Reference exist for all committees. • The Council have both Contract Procedure Rules defining the Council's process for all contracts

	and Financial Rules defining the safeguards and controls in place for managing public money and assets, these are reviewed on a regular basis. • The Council use the "Big Conversation" to consult with stakeholders and other interested parties to seek feedback before developing key operational documents. • The Council has a clear, well publicised complaints procedure which requires complaints to be dealt with rigorously and promptly. Complaints are monitored by management and Cabinet, together with improvement actions arising from them. • The employee survey shows an ethical framework is happening[1] within the Council, however it is not fully embedded and working across all areas. Learning from the employee survey is being used to identify actions for improvement. **Respecting the rule of law** • The Constitution identifies the Chief Legal Officer as the Council's Monitoring Officer and sets out the role of the Monitoring Officer. • An Anti-Fraud and Corruption Strategy supported by a Counter Fraud, Bribery and Anti-Corruption Policy which includes a Fraud Response Plan and a Speaking Up About Wrongdoing Policy "Whistleblowing Policy". The strategy is supported by a Whistleblowing hotline for use by both the members of staff and the public to report irregularity and fraud. The Audit Committee receive an annual report of whistleblowing activity. • Officers in Legal and Democratic Services play a key role in ensuring that the principles enshrined in the Constitution, sustainable decision making, robust scrutiny, rules of natural justice, standards of conduct, efficiency, transparency, legality and high standards of corporate governance are delivered in practice through the Council's decision-making process. The Service provides advice and guidance on the interpretation of legal developments, is LEXCEL accredited and possesses specialist legal officers who are experts in specific areas of Council activities. • Where there have been instances of non-compliance with grants (Environmental/ market towns) and procurement (Theatre), and where the recognised approval process has been circumvented (Bronze labs, Igloo) these have been identified and escalated to the top of the Council for action. • All Committee reports require their authors to address the impact of the recommendations with respect to human rights.

[1] When looking at Leadership and Management; People; Processes and procedures; Culture, Values and Consistency; Assurance and Accountability. An ethical framework can be: Emerging within; Happening within; Working for; Embedded and integrated within; or Driving the council

Core Principle B: Ensuring openness and comprehensive stakeholder engagement	
Rational: Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.	**Shropshire Council's commitment to achieving good governance is demonstrated below:** **Openness** • Adoption of a Publication Scheme that describes the kinds of information available and provides guidance about how to access personal information and submit a Freedom of Information request. • The Council has a small Information Governance team committed to ensuring the principles of Data Protection, Freedom of Information and Transparency are followed. • Adoption of a standard reporting format in relation to committee reports. The format includes a risk assessment and opportunities appraisal together with the financial implications attached to any recommendations, and appropriate background papers are cited to ensure full transparency. • Council and Cabinet meetings are webcast. Agendas, reports and minutes are published on the Council's website. Meetings are open to the public except in the case of exempt items. • Dates for submitting, publishing and distributing timely reports are set and adhered to. • The Corporate Plan and Financial Strategy set out the Council's mission and priorities. • The Shropshire Compact has been effective in supporting the relationships between Shropshire Council, other public sector bodies and the voluntary and community sector. It acts as an aid to problem solving by clearly setting out roles, responsibilities and commitments. **Engaging comprehensively with institutional stakeholders** • The Council recognises the importance of communicating its vision and uses several channels to this effect. • The Council aims for a consistent approach to communication, reaching and targeting the key customers, stakeholders and partners in the most appropriate way. • The Council aims to improve engagement through consistent branding, so that our stakeholders know what we do and who to contact. This ensures compliance with the Code of Recommended Practice on Local Authority Publicity March 2011. This requires all Council publicity aimed at the public to be clearly and unambiguously identified as being produced by the Council. Printed material should make this evident on the front cover. • Our website can help residents understand the Council's vision and purpose and to access

	services on a day-to-day level. • The Shropshire Newsroom (www.shropshirenewsroom.com) hosts all the latest Council news stories with podcasts, videos and photographs available from the corporate Flickr account. • The Council works with colleagues in the local, regional and national media to complement Shropshire Newsroom and ensure people have access to information about the Council. • The Council uses relevant social media, as a method of disseminating our information and listening to feedback on issues as they arise. • The Council uses its Customer Services telephone and face-to-face points as the main first point of contact enabling people to be more efficiently directed to the services they need. • The Council uses the Voluntary and Community Sector (VCS) Assembly weekly news bulletin to promote consultations, policy news, engagement opportunities and partnership working opportunities across the voluntary and community sector. **Engaging stakeholders effectively including individual citizens and service users** • The Council seeks the views from individuals, organisations and businesses on several areas. All Council surveys are delivered online using the corporate approved consultation portal. Links to current consultations are published on the website. Some recent examples of consultations undertaken in 2018/19 are the 2019 Budget, Local Plan Review – Preferred Sites, Highways maintenance – awareness and engagement, Customer Service Point opening hours review, Shropshire Council's parking strategy, Shrewsbury Integrated Transport package – latest works. The full list of consultations undertaken is available on the Council website. • Shropshire's Making It Real partnership was set up by Shropshire Council in response to the national 'Think Local Act Personal' initiative and Making it Real Framework. The aim of 'Making it Real' is for personalisation to be a reality for people who use adult social care services. This approach is driven through a series of 'I' statements outlining how adult social care should best meet people's needs; enabling people to live full and independent lives. The partnership works with the local authority to ensure this approach is adopted locally, through influencing and shaping adult social care services in Shropshire. • Local consultation has taken place using specific consultation and engagement activity for services and service areas. Locality commissioning activity involves engagement with communities and service user groups, as well as through structures such as the Local Joint Committees. These have helped to identify the needs and priorities of our citizens and make these our key areas for service delivery. Feedback from such events is used to develop strategic plans, priorities and targets. Widespread local consultation has taken place via service user and customer feedback

	surveys, public meetings, local partnerships and Local Joint Committees to identify the needs and priorities of our citizens and make these our key areas for service delivery.
Core Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits	
Rationale: The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.	**Shropshire Council's commitment to achieving good governance is demonstrated below:** **Defining Outcomes** • The Corporate Plan and Financial Strategy set out the Council's vision and priorities together with its aims and actions. • Core strategic plans (such as Economic Growth Strategy, Commercial Strategy, Commissioning Strategy and Sustainability, Environment & Climate Change Policy) set out specific aims in detail and compliment the overall Corporate Plan. It has been recognised that the Commercial Strategy needs to be refocused and realigned to the wider corporate strategies to enable the required income to be delivered. • There is a clear reporting mechanism for performance information which is presented alongside the financial information for the corresponding period to the Performance Management Scrutiny Committee. Areas of concern are identified and reported quarterly and exceptions are monitored more frequently; e.g. on a monthly basis, providing greater detail and explanation of the issues and actions being taken. The reports are presented to senior managers and Cabinet. The underlying detailed dashboards are also available to Scrutiny members who can identify specific issues they may want to consider. Cabinet may ask Scrutiny to look at specific issues of on-going concern. • The Council have established robust project management arrangements to monitor outcomes and outputs on projects such as the Digital Transformation Board, Capital Investment Board and Commissioning and Assurance Board. **Sustainable economic, social and environmental benefits** • The Council has an Environmental Policy Statement highlighting its commitment to sustainable environment. • The Council has an Economic Growth Strategy which lays out its approach to sustainable development. • The Council has a Commercial Strategy which lays out its approach to becoming a more commercially focused organisation embracing commercial culture in terms of how the Council acts to ensure the delivery of High Quality Services as efficiently and effectively as possible. • A Social Value Charter is in place that is designed to assist commissioners and procurers to

	maximise opportunities to improve the social, economic and environment condition of our local area through effective commissioning and procurement. The Charter has three principles which commissioners, service providers voluntary, community and social enterprise organisations commit to with the aim of improving the social, economic and environmental wellbeing of Shropshire.
Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes	
Rationale: Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.	**Shropshire Council's commitment to achieving good governance is demonstrated below:** **Determining interventions** • A standardised format of decision making reports is used to ensure that all relevant information is considered such as analysis of options, resource implications, and outcomes of Equality and Social Inclusion Impact Assessment etc. Options are clearly defined and analysed to ensure decisions are based on the best possible information. • The Commissioning Strategy is applied to ensure clear alignment to need and improving outcomes. **Planning interventions** • The Council sought opinions on future budget proposals for 2019/20. They set out what the issues were and invited the public to engage on them. • There is a clear reporting mechanism for performance information which is presented alongside the financial information for the corresponding period. Areas of concern are identified and reported quarterly and exceptions are monitored more frequently; e.g. on a monthly basis, providing greater detail and explanation of the issues and actions being taken. The reports are presented to senior managers and Cabinet. The underlying detailed dashboards are also available to Scrutiny members who can identify specific issues they may want to consider. Cabinet may ask Scrutiny to look at specific issues of on-going concern. • The Council's performance framework links directly to the Council's outcomes. Performance is reported quarterly to members through Cabinet, and in more detail to Scrutiny Committees. **Optimising achievement of intended outcomes** • The annual budget is prepared in line with agreed priorities. The Council publishes its Financial Strategy annually to set an indicative three year financial plan to fit the longer term strategic vision as well as a detailed one year budget. This is intended to include realistic estimates of revenue and capital expenditure.

	• Resources to assist commissioners and procurers to demonstrate the range and amount of social value generated or the financial value to society as a result of the social value they generate.
Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it	
Rationale: Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of	**Shropshire Council's commitment to achieving good governance is demonstrated below:** **Developing the entity's capacity** • There is a member induction programme in place, supporting and developing newly elected members. A Community Leadership and Development Framework provides comprehensive development opportunities, and essential sessions. Development interventions are designed in the context of what individual members say they require during their one to one development reviews, and what their roles and responsibilities dictate they need. Member secretaries provide support, and the Member and Officer Protocol clearly stipulates officers' duties to provide professional and technical advice. The Local Member Protocol guides members and officers to behave in a way that promotes excellent communication. The member induction programme was re-run following the May 2017 local elections. • A Workforce Strategy 2016/17-2020/21 was adopted in 2016/17 to ensure the Council has the right people with the right skills in the right place, at the right level and cost to enable the Council to meet its strategic objectives. • The Council actively promotes the use of Leap into Learning, an online learning and training platform that allows courses to be tailored to individual officers. This has been extensively used to deliver e learning to a wide variety of employees and to support more conventional training methods by providing a booking and attendance system. **Developing the capability of the entity's leadership and other individuals** • A Protocol on Member/Officer Relations that assists both members and officers achieve good working relationships in the conduct of Council business. • A Scheme of Delegation that is reviewed annually considering legal and organisational changes. • A Constitution that sets out financial management arrangements through the Financial Regulations and Contract Procedure Rules. • Member Development is managed via the Group Leaders and training is provided as needed. Members are updated on legal and policy changes etc. as required. • Induction programmes for all members and employees.

communities.	• Training for employees is made available through Leap into Learning which provides all employees with access to online training courses that can be tailored to the individual, dependent upon role undertaken. • Staff are annually appraised which includes the identification of training and development needs and drawing up of training action plans to address these. • Apprenticeship Programme offering training, skills and experience in local government. • Graduates on the Shropshire Graduate Development Programme continue to develop their skills and knowledge; contributing to succession planning for the future of Shropshire Council. • Health and Safety policies designed to protect and enhance the welfare of staff are actively promoted and monitored. • A coaching connections network group has been established to build a pool of people who are skilled in facilitating personal development tools and to develop internal coaching capacity. This network provides group and individual personal development and coaching support to help people through change.
Core Principle F: Managing risks and performance through robust internal control and strong public financial management	
Rationale: Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be	**Shropshire Council's commitment to achieving good governance is demonstrated below:** **Managing risk** • Risk management arrangements that are embedded across all service areas and help inform decision making. • Risk and Opportunity Management Framework that is subject to annual review and reported to the Audit Committee on an annual basis. • Responsibilities for managing individual risks are contained within the Opportunity Risk Management Strategy. • The Senior Management Team, regularly reviews the strategic risk register, and seeks assurances that it is kept up to date and actions to mitigate risks are implemented. • Operational risks are reviewed by risk owners on a regular basis. • Council strategic risks have been identified, aligned to the Annual Governance Action Plan and a member of the Senior Management Team assigned as the risk owner. Risk profile and actions plans have been put in place to ensure the risks are mitigated effectively and are reviewed monthly.

considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.	**Managing performance** • The Council has five established overview and scrutiny committees which operate under clear terms of reference and rules of procedures laid down in the Constitution. Scrutiny Committee chairs and members have clearly laid down accountabilities in the Constitution. Members may not participate in the scrutiny of decisions they were involved in. • The Council is part of a long standing and effective Joint Health Overview and Scrutiny Committee with Telford and Wrekin Council. This reflects the reality that most substantial changes to services covered by the statutory duties for Health Scrutiny affect services across both local authority areas and as such would need to be looked at jointly, in line with regulatory direction. • There is a standardised format for all committee reports which includes background to the report, any recommendations that decisions need to be made upon together with reasons behind those recommendations. • Reports and minutes and decisions under member consideration are published on the website and are available in hard copy in a variety of formats on request. • Contract Procedure Rules and Financial Regulations set out the Council's arrangements and ensure that processes continue to operate consistently. • An effective internal audit service is resourced and maintained. Internal Audit prepares and delivers a risk based audit plan in line with Public Sector Internal Auditing Standards which is kept under review to reflect changing priorities and emerging risks. • The Council continues to benchmark its services to assist in identifying areas for review and to ensure that as many performance indicators as possible are performing to the standards that the Council sets. **Robust internal control** • There is an effective apolitical Audit Committee with clear terms of reference which are reviewed annually and based on the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Guidance. • The Audit Committee, which is independent of cabinet, oversees the management of governance issues, risk management framework, internal control environment, financial reporting and Treasury Management. Its performance is subject to annual self-assessment. • An annual report is produced by Internal Audit which provides an opinion on the Council's control environment, and a self-assessment of its arrangements against the public sector internal audit standards and CIPFA's guide to the role of the Head of Internal Audit.

	• Anti-Fraud and Corruption Strategy which is subject to regular review and is approved by the Audit Committee. • Quarterly fraud reports summaries anti-fraud activity in the year. • An Annual Governance Statement (AGS) that is subject to review by the Audit Committee. • Training is provided to Audit Committee members on areas relevant to their role. • There are frameworks in place in relation to child and adult safeguarding. **Managing data** • The Council has a small Information Governance team committed to ensuring the principles of Data Protection, Freedom of Information and Transparency are followed. • Information governance and security awareness including individual responsibilities and good practice is raised and embedded with officers and elected members through the mandatory information governance training. • The Council's Information Management Strategy provides guidance on the arrangements that must be in place to ensure personal data is kept protected and secure. • Effective information sharing is undertaken in accordance with the Data Protection Act and the Council's Data Protection Policy. • Data Subjects are informed why their personal information is being collected and how it will be processed (including when shared with other bodies) through the Council's overall Privacy Notices published on our website and individual Privacy Statements on forms, in booklets etc. • A formal Data Sharing Framework Protocol between Shropshire and Telford and Wrekin Partnership in respect of jointly delivered health services. • Data verification and validation processes are integrated within systems and processes. **Strong public financial management** • An audited and signed Statement of Accounts is published on an annual basis containing: - A statement of responsibilities for the Statement of Accounts. - A statement of the Council's accounting policies. • An Annual Governance Statement signed by the Leader of the Council and the Chief Executive Officer/Head of Paid Service. • Compliance with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (CIPFA, 2015), is reviewed annually. • Financial procedures are documented in the Financial Regulations.

	• Financial Strategy in place. • The financial position is reported quarterly to Cabinet.
Core Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability	
Rationale: Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.	**Shropshire Council's commitment to achieving good governance is demonstrated below:** **Implementing good practice in transparency** • Agendas, reports and minutes are published on the Council's website. • Adoption of a style guide document that outlines how to communicate more effectively and to ensure communications are consistent and clear. • Adoption of the National Transparency Code. • The Cabinet is the Council's key decision making body and makes decisions within the policy framework approved by Full Council. It is made up of the Leader, who is elected by the Council, and up to nine members. When key decisions are to be discussed or made, these are published in the Cabinet forward plan in so far as they can be anticipated. If these key decisions are to be discussed with Council officers at a meeting of the Cabinet, this will be open for the public to attend except where personal or confidential matters are being discussed. The Cabinet has to make decisions which are in line with the Council's overall policies and budget. If it wishes to decide which is outside the budget or policy framework, this must be referred to the Council to decide. **Implementing good practices in reporting** • Annual Financial Statements are compiled, published to timetable and included on the Council's website. • An annual report from each of the scrutiny committees is presented to Council alongside reports from the portfolio holders; the scrutiny reports detail the past work of the Committees, the present work and future. • Completion of an Annual Governance Statement (AGS). • A Business Plan and Financial Strategy setting out the Council's mission and priorities. **Assurance and effective accountability** • The AGS sets out the Council's governance framework and the results of the annual review of the effectiveness of the Council's arrangements. The AGS includes areas for improvement.

	• An effective internal audit service is resourced and maintained. The Service has direct access to members and provides assurance on governance arrangements via an annual report containing an opinion on the Council's internal control arrangements. • External Audit provides an annual opinion on the Council's financial statements and arrangements for securing Value for money. • The Council actively welcomes peer challenge, reviews and inspections from regulatory bodies. • The Shropshire Compact is a set of shared principles and guidelines for effective partnership working between Shropshire's public sector bodies and the Voluntary and Community Sector (VCS). It acts as guidance to ensure shared understanding of responsibilities and obligations and works towards best practice in partnership.

Appendix B – Shropshire Council's Corporate Governance Framework

'The International Framework: Good Governance in the Public Sector' defines 'governance' as comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The framework also states that to deliver good governance in the public sector both governing bodies and individuals working for them must try to achieve the Council's objectives while acting in the public interest at all times.

Core Principles	(A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	(B) Ensuring openness and comprehensive stakeholder engagement	(C) Defining outcomes in terms of sustainable economic, social, and environmental benefits	(D) Determining the interventions necessary to optimise the achievement of the intended outcomes	(E) Developing the Council's capacity, including the capability of its leadership and the individuals within it	(F) Managing risks and performance through robust internal control and strong public financial management	(G) Implementing good practices in transparency, reporting, and audit to deliver effective accountability
Evidence of Good Governance	The Constitution	Corporate Plan	Committee Reports	Forward plan	The Constitution	The Constitution	Audit Committee
	Schemes of delegation	Members roles and expectations	Corporate Plan	Budget Consultation	Member and staff development	Audit Committee	Committee Framework
	Audit Committee	Local Joint Committees	Committee Framework	Stakeholder Engagement	Member Induction Programme	Committee Framework	Councillors and decision making
	Councillors and decision making	Public Meetings and decisions recorded	Councillors and decision making	Option Appraisals	Recruitment and Selection process	Financial Procedure Rules Contract Procedure Rules	External audit of accounts and Value for money opinion
	Statutory Officers Roles: Chief Executive, Chief Financial Officer, Monitoring Officer, Head of Paid Service. HR policies.	Annual Statement of Accounts and Annual Governance Statement published	Procurement Strategy	Annual Governance Statement / Assurance Framework	Staff Appraisal Process	External audit of accounts and Value for money opinion Financial Strategy Annual Statement of Accounts and Annual Governance Statement published	
	Financial Procedure Rules Contract Procedure Rules Financial Strategy	Council website records all council meetings and key decisions	Public Sector Social Value Act 2012	Financial Strategy	Peer Reviews / External Inspection	Opportunity Risk Management Strategy	Annual Statement of Accounts and Annual Governance Statement published
	Members (E1) and Employees Codes of Conduct	Corporate performance, financial and risk reporting framework	Commissioning Strategy (36)	Councillors and decision making	Benchmarking	Open Data and Transparency Code	Internal Audit Service Head of Audit's Annual Opinion / Report (No. 8)
	Members / Officers Register of Interests / Register of Gifts and Hospitality	Open Data and Transparency Code	Financial Strategy	Opportunity Risk Management Strategy	Internally led reviews / independent challenge	Strategic and Operational Risk Registers	Financial Strategy
	Protocol for Member Officer Relations (E85)	Customer feedback / Complaints Policy	Social Value Charter	Alternative Service Delivery Models	Alternative Service Delivery Models	Risk Based Internal Auditing Service / Plan (No 11)	Strategic performance, financial and risk reporting framework
	Counter Fraud, Bribery and Anti-Corruption Policy and Strategy (report 56)	FOI Publication Scheme	Opportunity Risk Management Strategy	Corporate performance, financial and risk reporting framework	Commissioning Strategy	Internal Audit Service Head of Audit's Annual Opinion / Report (No. 8)	Open Data and Transparency Code
	Whistleblowing Policy and hotline	Public Consultations	Corporate performance, financial and risk reporting framework	Service Plans	Continuing Professional Development Programmes	Corporate performance, financial and risk reporting framework	Website

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Core Principles	(A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	(B) Ensuring openness and comprehensive stakeholder engagement	(C) Defining outcomes in terms of sustainable economic, social, and environmental benefits	(D) Determining the interventions necessary to optimise the achievement of the intended outcomes	(E) Developing the Council's capacity, including the capability of its leadership and the individuals within it	(F) Managing risks and performance through robust internal control and strong public financial management	(G) Implementing good practices in transparency, reporting, and audit to deliver effective accountability
	Opportunity Risk Management Strategy	Shropshire Compact	Corporate Climate Change Strategy	Project Management	Safety, Health and Wellbeing Internal health and safety	Counter Fraud, Bribery and Anti-Corruption Policy and Strategy (report 56) Anti-Money Laundering Policy	FOI Publication Scheme
	Customer feedback / Complaints Policy	Voluntary and Community Sector Assembly		Whistleblowing Policy and hotline	Workforce Strategy	Emergency / Business Continuity Management	Complaints Annual Report
		Financial Strategy		Corporate Plan	Leap into Learning	Information Management Strategy	

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Appendix C: Significant governance issues

To ensure services are delivered to acceptable standards whilst achieving the budget savings required and manging strategic risks, the Council as planned in the ***Annual Governance Statement 2017/18***, during 2018/19 strived to achieve and delivered the following outcomes:

Targeted outcome 1	**Services review, identify and deliver efficiency savings, financial assumptions become more refined and budget plans are in place to deliver services within the resources available.**
Strategic Risk	High: Sustainable Budget: Inability to ensure income exceeds expenditure for the years 2019/20 and beyond for outcomes to be delivered.
Activity 1.1	James Walton February 2019 Continual review of the Financial Strategy, approved by Council 22 February 2018, as part of existing processes and annual budget setting and development of detailed implementation plans. James Walton (Tim Smith) September 2018 Capital Strategy to clarify outcomes and help prioritise investment opportunities
March 2019 update	Financial strategy for 2019/20 approved on 28 February 2019 covering Stages I and II of Financial Strategy Process. £18.5m savings proposed, requiring £2.5m of reserves to deliver a balanced budget for one year only. 2020/21 awaiting outcome of fair funding[1] (Stage III of Financial Strategy will set out our savings proposals) – funding gap £35m (growing by £8m per year thereafter) with only £23m of one-off funding identified to close gap. Capital Strategy approved by Council 28 February 2019. Wil be refined over the next twelve months to more accurately align with other key Council Strategic documents.
Activity 1.2	Gemma Davies April 2018 "Hopper" approach rolled out to all projects, with strengthened senior management and Member involvement.
March 2019 update	Complete. Sessions held with staff. System is now being used for all new capital projects and is embedded across services. Cabinet members have been briefed on system and individual cabinet members are being updated through briefings. A regular highlight report from Strategic Programme Officer Group(SPOG) is presented to the Capital Investment Board.
Activity 1.3	Clive Wright (Tim Smith) February 2019 Generate plans to deliver £15 million of additional income per annum by investing £300 million at an average gross ratio of at least 10% and net return of at least 5%.
March 2019 update	A net return of 5% is proving difficult to achieve in the current financial climate. The total projected capital investment for income generating schemes is £100.6 million, with a net yield of 4.5%. This means that we are about half way to achieving our net income target of £7.5 million (over ten years). In February 2019, the Council approved plans to establish a wholly owned housing company.

[1] Aimed at designing a new system for allocating funding between councils

	The Commercial Strategy plans need to be updated to reflect this and other new opportunities. This strategy will be linked to the Capital Strategy and actioned by Tim Smith
Targeted outcome 2	**The workforce requirements are met by a sustainable source of people resources, flexible enough to reflect the changing needs of the Council.**
Strategic Risk	High: Staffing: Inadequate retention and recruitment of experienced and qualified staff results in insufficient capacity and experience to sustain Council's service provision.
Activity 2.1	Clive Wright May 2018 Revise Pay Policy
March 2019 update	Pay policy has been reviewed and revised.
Activity 2.2	Clive Wright June 2018 New commercial structure being implemented to include the requisite skills and experience along with services and resource contracted in to help deliver the high priority projects.
March 2019 update	Not yet in place. A commercial team is being recruited by the Director of Place. Recruitment and retention issues are being experienced in Children's Services. Additional HR support has been made available. Children's Services will prepare a recruitment and selection strategy as identified in the recent Financial Peer Review of Children's Services
Targeted outcome 3	**Staff are healthy and happy in the workforce and therefore perform to a high standard.**
Strategic Risk	High: Work Related Stress: Increases in work related stress impacts the ability to deliver Council outcomes.
Activity 3.1	Michele Leith December 2018 Strengthen staff engagement and recognition to support the culture required to deliver transformation. Policy change regarding sickness absence
March 2019 update	A staff survey has been conducted. A significant amount of work continues around work related stress and staff wellbeing. Initiatives are planned throughout the coming year. In addition, detailed analysis of the staff survey results will be undertaken to concentrate activity where it is considered most benefit can be gained.
Targeted outcome 4	**Adults are safeguarded to the highest standards**
Strategic Risk	Medium: Failure to Safeguard Vulnerable Adults: Failure to safeguard adults with care and support needs including adhering to legislation in relation to DoLs[2]
Activity 4.1	Andy Begley September 2018 Reduce further growth in costs in Adult Social Care through innovation and prevention.

[2] Deprivation of Liberty Safeguards (DoLS) are part of the Mental Capacity Act 2005. The safeguards aim to make sure that people in care homes and hospitals are looked after in a way that does not inappropriately restrict their freedom.

March 2019 update	Current demand for services is high. Early intervention and prevention continues to be developed through social prescribing and community co-ordinators. It remains a 'key-stone' of the Adult Social Care model in Shropshire, it continues to impact positively on demand management; reducing increases in costs. BCF3 funding is used to deliver both provision and prevention, with the emphasis on delivering maximum value from each pound spent, again contributing to demand reduction and better use of resources. Adherence to revised DoL's legislation confirmed. (Shropshire Council officer is national lead)
Activity 4.2	Andy Begley December 2018 New Social Care system.
March 2019 update	New system implemented, Liquid Logic, linking case information across children's and adults
Targeted outcome 5	**Children are safeguarded to the highest standards**
Strategic Risk	Medium: Failure to Safeguard Vulnerable Children: Failure to safeguard vulnerable children and meet the recommendations of Ofsted.
Activity 5.1	Karen Bradshaw September 2018 Reduce further growth in costs in Children's Social Care through innovation and prevention.
March 2019 update	Current demand for services is high with an increasing number of looked after children and children subject to a child protection plan. This increase in demand is increasing social worker caseload size in some teams. Recruitment and retention of social workers is a key priority for the service. Retention payments have just been agreed for those teams where we struggle to recruit. Ofsted Action plan is now concluded. Joint Targeted Area Inspection (JTAI) identified progress against Ofsted recommendations. JTAI Action Plan now in place.
Activity 5.2	Karen Bradshaw November 2018 New Social Care system
March 2019 update	Liquid Logic now in place and is supporting effective social work practice. Managers Matrix is in place which enables managers to track timeliness of work in their teams. Robust Quality Assurance Framework in place which identifies any practice issues.
Targeted outcome 6	**Improved business processes with embedded controls providing enhanced access to customers, better service delivery to clients and business continuity in the event of a disaster.**
Strategic Risk	Deleted: Digital Transformation Programme: Failure to implement the Digital Transformation Programme within planned timescales to provide ICT solutions to support business applications and benefits realisation.
Activity 6.1	Michele Leith November 2018 Continue to review and address resource requirements

[3] Better Care Funding: Is a programme spanning both the NHS and local government which seeks to join-up health and care services, so that people can manage their own health and wellbeing, and live independently in their communities for as long as possible.

March 2019 update	As this phase of transformation is delivered we are working with Directors on defining a new programme and board structure to ensure new business processes are designed and implemented.
Activity 6.2	James Walton October 2018 Go live with ERP incorporating Finance, HR and Payroll systems
March 2019 update	Programme Plan for ERP identified need to review business recourse and challenge performance of suppliers – led to revised go live date of 1 April 2019.
Activity 6.3	Michele Leith April 2019 Reduce the cost of service provision by 50% from £20 million to £10 million using the tools delivered through Digital Transformation. This includes changes to working practices, processes and methods
March 2019 update	Savings target implementation delayed by twelve months, but £1.7m transformation savings brought forward to 2019/20. No plan yet drawn up for delivery of remainder of savings target from April 2020.
Activity 6.4	Michele Leith April 2019 Develop more detailed implementation plans to provide assurance that the proposals are achievable particularly in the short term i.e. 2018/19 and 2019/20.
March 2019 update	Savings target implementation delayed by twelve months, but £1.7m transformation savings brought forward to 2019/20. No plan yet drawn up for delivery of remainder of savings target from April 2020.
Targeted outcome 7	**Increased pressures on social and health services are known and managed in the most effect way within budget provisions.**
Strategic Risk	Medium: Health and Social Care: Failure of the STP[4] to deliver transformation and integration of Health and Social Care and the subsequent impact on managing demand and cost across the economy.
Activity 7.1	Rod Thomson/ Andy Begley September 2018 Determine the Council's future role with Health and the STP
March 2019 update	Independent STP Chair now in post, Clive Wright and Andy Begley attending Senior Leadership Group to influence and shape development. Council looking for a more central role in relation to place planning and integration.
Targeted outcome 8	**A clear long-term budget is identified allowing for certainty in the delivery of future services.**
Strategic Risk	High: Future Funding Levels: Lack of clarity from Central Government on the future funding levels and changes to Local Government powers and financing, plus increased uncertainty re: local resources which inhibits the ability to calculate future budgets (including funding methodology)
Activity 8.1	James Walton April 2020 Central Government Funding mechanism reviewed as it emerges and financial plans adopted to meet these requirements within the timescales allowed.

[4] Sustainability and transformation partnerships (STPs); were created to bring local health and care leaders together to plan around the long-term needs of local communities.

March 2019 update	Fair Funding consultation responded to in February 2019 with next round expected in summer/autumn 2019. Fair Funding exemplifications expected autumn 2019. Stage III of Financial Strategy to be resolved over same timescales.
Targeted outcome 9	**The public are confident in the delivery of Council services.**
Strategic Risk	Very Low: Reputation: Loss of reputation and public confidence in the Council by failing to meet public expectations and identified need.
Activity 9.1	Michele Leith (Andrew Boxall) November 2018 Communications strategy produced for review by Directors. Celebrate success. Define and develop the Council's reputation and brand. Plan cohesively all communications and marketing.
March 2019 update	Communication strategy underway
Targeted outcome 10	**Contracts are well managed and maximum impact is obtained.**
Strategic Risk	Low: Contract Management: Inconsistency within contract management and monitoring results in failure to support our outcomes.
Activity 10.1	Michele Leith (Tom Dodds) September 2018 Ensure that data and intelligence requirements are identified and set out in contracts. Review of current contracts and grants from across the Council (costs, measures and monitoring arrangements). Establish and embed provider complaints reporting requirements within all contracts and implement an IT solution which enables providers to log the complaints they receive with the Council's complaints system. Put in place arrangements to identify, record and address issues relating to adult safeguarding referrals which are not taken forward as safeguarding investigations, but should be taken as a complaint.
March 2019 update	Data and intelligence requirements are being built into contracts as they are developed. The most recent area of work is in the Independence and Wellbeing (Prevention) contract which is coming in to place. This is an ongoing are of focus for the Council and will need to continue to be implemented as commissioning takes place. Provider complaints reporting has been built into all contracts. An awareness and training session for ASC providers was delivered in the autumn and was well received. There is a good working relationship between the Customer Feedback team and Adult Social Care Safeguarding. Non-section 42 referrals are shared with the team to be investigated as a complaint.
Targeted outcome 11	**Strategies deliver outcomes that support the overall direction of the Council**
Strategic Risk	Low: Delivery of Key Corporate Strategies: Failure to deliver key corporate strategies (i.e. Commercial and Economic Growth) prevents the Council from meeting the corporate outcomes.
Activity 11.1	Michele Leith (Tom Dodds) December 2018

	Develop, review refresh strategies for: The Council's specific priorities and outcomes, communicate them and focus resources accordingly as part of the new Corporate Plan 2019/20 onwards.
March 2019 update	A few away day sessions have been held with Directors and several strategies including the ICT, Data, Capital, Workforce and Financial Strategy are being or have been reviewed in line with the new priorities in the Corporate Plan. The Commercial Strategy is to be reviewed after an unsatisfactory Internal Audit review.
Activity 11.2	Clive Wright (Tim Smith) December 2018 Develop, review refresh strategies for: Consolidate our Estate through the 'One Public Estate' Programme
March 2019 update	The Council's new Corporate Plan was agreed at Council in December 2018. It sets out the Council's new vision and priorities including their underpinning themes. The Corporate Plan has been communicated to staff and members, including most recently in the staff newsletter (March 2019) ahead of the plan coming into place on the 1 April 2019. The new measures for the performance management framework are being finalised with directors and members, and will include key milestones for the delivery of strategies and projects. Key strategies such as the Economic Growth Strategy are tied into the Corporate and is underpinned with a strategic action plan, and a new rural/place strategy will be developed in 2019/20. Plans to consolidate more staff at the Shirehall will proceed after work required by new Fire Safety regulations are completed. Council agreed in December 2018 to proceed to stage 3 of the Shirehall redevelopment project. This is the point of tender appraisal which will include the developed design and planning application and Part RIBA[5] Stage 4. This sets out the detailed design and employer's requirements enabling the procurement of the main contractor. A final decision report will be considered by council having received the results of the tender appraisal and the officers' recommendations associated with this. More work has been done on mobile/agile to ensure that less space is needed by the Council overall and this is now being accelerated. The Adult Social Care team at Ptarmigan have strongly adopted mobile/agile and plan to vacate the building.
Targeted outcome 12	**Well managed Council demonstrating all the qualities of an excellent public body, showing accountability, transparency, integrity, openness in line with all the Nolan principles.**
Strategic Risk	Medium: Governance: Failure of individuals to adhere to governance policy and procedures results in an increased risk of fraud, corruption and inappropriate use of resources (assets, buildings, finance, people)
Activity 12.1	Claire Porter December 2018 Review of constitution by Constitution Working Group including several council policies.
March 2019 update	Protocols were reviewed in October 2018
Activity 12.2	Clive Wright December 2018 Strengthen the investment in the joint Cabinet/Senior Management Team to help deliver improved outcomes and model the desired culture. Adopt a whole Council approach.

[5] The RIBA Plan of Work 2013 organises the process of briefing, designing, constructing, maintaining, operating and using building projects into several key stages. The content of stages may vary or overlap to suit specific project requirements. Stage 4 is technical design.

March 2019 update	Weekly meeting between Cabinet and Directors take place with 'Away Days' in addition.
Activity 12.3	Claire Porter February 2019 Develop a package of training and development opportunities for Cabinet Members to undertake if they so wish.
March 2019 update	A suite of training has been developed on the e learning tool, Leap into Learning for Members, e.g. GDPR[6]. Work is ongoing to support members with familiarity and navigation of the site.
Targeted outcome 13	**IT systems work effectively and efficiently allowing service delivery to be on time, accurate, safeguarding data and beneficial to all users.**
Strategic Risk	Medium: ICT Provision: Failure of existing ICT provision (infrastructure, systems, services and support) could result in significant impact on service delivery and disruption to business activities.
Activity 13.1	Michele Leith (Andrew Boxall) July 2018 IT adopt the best practice methodology of ITIL[7] to improve their service. This work is being complimented by a restructure, which will ensure the right roles are in place to offer a first-class IT service. The restructure will consider the requirements of Digital Transformation, both immediate and foreseeable.
March 2019 update	A restructure of the IT department has now come to fruition, with most senior roles now in post. This change was fuelled by the best practice IT management methodology of ITIL, specifically the process of capacity management which scopes the skillsets required to fulfil the services needed by customers, both now and in the future. This change is helping the IT department to react to new service requirements whilst continuing to deliver the existing core requirements of the Council and other customers. Another key shift is moving from what could be considered a reactive model to increasingly proactive. Taking ITIL's central theme of Continuous Service Improvement (CSI) the department have moved to what has been dubbed an Outcome based approach – seeking problems from customers that can be addressed with technology. This, combined with an improved approach to training and support, is upskilling the workforce, which in turn will help ensure service provision whilst identifying opportunities to achieve beneficial outcomes using technology.
Activity 13.2	Michele Leith (Andrew Boxall) April 2019 Digital Transformation will deliver the tools needed for the Council to work differently, all of which will be implemented on robust and tested platforms.
March 2019 update	There has been a significant amount of learning from the recent mobile agile working pilots and we are using this information to target roll out of these tools. The new suite of Microsoft tools is being deployed across the organisation, face to face training session and e-learning modules are being delivered to support upskilling the workforce. The IT Business partners are now in place and will be working with directorate management and service teams to demonstrate the potential uses of the new tools supporting the deployment. Microsoft teams, One Drive and Sharepoint are priorities now.

[6] The General Data Protection Regulation (GDPR) is a legal framework that sets guidelines for the collection and processing of personal information from individuals who live in the European Union

[7] Information Technology Infrastructure Library, is a set of detailed practices for IT service management (ITSM) that focuses on aligning IT services with the needs of business.

Targeted outcome 14	**A clear plan of action for the Council and delivery against this is demonstrated by all parties.**
Strategic Risk	Medium: Strategic Vision and Strategy: Failure to clearly articulate the strategic vision and strategy for the Council results in inability to deliver outcomes.
Activity 14.1	Clive Wright More detailed implementation plans to provide assurance that the proposals are achievable particularly in the short term i.e. 2018/19 and 2019/20. See actions for 1 and 11
March 2019 update	The Council approved the new Corporate Plan and Priorities at its meeting in February 2019. The Plan and Priorities have been communicated to staff and Members, but it is acknowledged that this needs to be delivered in a variety of ways and on an ongoing basis. Delivery Plans (Outcomes Plans) for 2019/20 and beyond are now being prepared
Targeted outcome 15	**To minimise any economic impact that Brexit may have on the Shropshire economy.**
Strategic Risk	Medium: Economic Impact of Brexit: Potential impacts on Shropshire's economy need to be further explored for the level of risk at a macroeconomic level to be further understood. At present, much of the evidence is anecdotal but officers are aware of some investment decisions being affected and some sectors could be more vulnerable (for example agriculture, food and drink).
Activity 15.1	Clive Wright (Gemma Davies) December 2018 Strengths Weaknesses Opportunities and Threats (SWOT) analysis in place and updated when more information available. Review EU funding programme and resource needs. Discussions with LEP[8] and DCLG[9] to identify opportunities
March 2019 update	Regular dialogue with MHCLG[10] through LEP management group (monthly). BEIS[11] survey and supporting guidance and information for businesses on Shropshire Marches Growth Hub website. Events and seminars held via Growth Hub. Weekly reporting in place through Emergency Planning. EU funding is being delivered in accordance with Govt. timetable. Resources have been addressed. Evidence gathered through cross member task and finish group – have engaged with external organisations including NFU[12], Dept. for International Trade and Chamber of Commerce. Brexit preparations are as developed as they can be given the levels of uncertainty on timing and impact. Weekly meetings take place as part of the Local Resilience Forum. The Emergency Planning Team are coordinating our Brexit response on an ongoing basis. The Economic Development Team are working with the Business Board and Chamber of Commerce to understand issues, provide advice and to signpost to information.

[8] Local enterprise partnerships (LEPs) are voluntary partnerships between local authorities and businesses set up in 2011 by the Department for Business, Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area.

[9] Department for Communities and Local Government

[10] Ministry of Housing, Communities and Local Government (MHCLG)

[11] The Department for Business, Energy and Industrial Strategy (BEIS)

[12] National Farmers' Union.

Shropshire Council

Committee and Date	Item
Audit Committee 27th June 2019	

FINANCIAL OUTTURN 2018/19

Responsible Officer James Walton
Email: james.walton@shropshire.gov.uk Tel: (01743) 255011

1. Summary

1.1 This report provides details of the revenue and capital outturn position for Shropshire Council for 2018/19 and provides a summary of:

- The revenue outturn for each service area with a commentary of the main variations and an outline of how the position has changed since Quarter 3.
- The movements in the Council's General Fund balance.
- The Council's reserves and provisions.
- The capital outturn for each service area with a commentary of the main variations and the budget slipped for 2018/19.

1.2 The Council's controllable revenue position for 2018/19 has improved by £0.239m when compared to projections made at Quarter 3, resulting in a net controllable underspend of £0.167m, a variance of 0.03% on the gross budget. This improvement has been delivered as a result of variances across a number of Council services.

1.3 The outturn on non-controllable insurance is an overspend of £0.046m. When deducted from the controllable underspend, the total outturn adjustment to the general fund is a contribution of £0.121m.

1.4 The outturn capital expenditure for 2018/19 is £50.975m, representing 76% of the re-profiled budget of £66.703m. All £15.728m of this underspend has been carried forward to the 2019/20 programme.

2. Recommendations

It is recommended that Members:

A. Note that the outturn for the revenue budget for 2018/19 is a controllable underspend of £0.167m. This represents 0.03% of the original gross budget of £561.950m.

B. Note that the level of the General Fund balance after adjusting for the outturn underspend and insurance position stands at £15.537m, which is above the anticipated level assessed in February 2019.

C. Note that the Outturn for the Housing Revenue Account for 2018/19 is an underspend of £3.859m and the level of the Housing Revenue Account reserve stands at £9.813m (2017/18 £8.225m).
D. Note the increase in the level of Earmarked Reserves and Provisions (excluding delegated school balances) of £4.986m in 2018/19 and the reasons for this.
E. Note that the level of school balances stand at £4.178m (2017/18 £5.381m).
F. Approve net budget variations of £0.848m to the 2018/19 capital programme, detailed in Appendix 5 / Table 11 and the re-profiled 2018/19 capital budget of £60.703m.
G. Approve the re-profiled capital budgets of £69.243m for 2019/20, including slippage of £15.728m from 2018/19, £22.181m for 2020/21 and £16.001m for 2021/22 as detailed in Appendix 5 / Table 15.
H. Accept the outturn expenditure set out in Appendix 5 of £50.975m, representing 76% of the revised capital budget for 2018/19.
I. Approve retaining a balance of capital receipts set aside of £20.515m as at 31st March 2019 to generate a one-off Minimum Revenue Provision saving of £0.621m in 2019/20.

REPORT

3. Risk Assessment and Opportunities Appraisal

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

4. Financial Implications

4.1 This report is based on the financial outturn of the Council's revenue and capital budget for 2018/19 and therefore considers the effect that the underspend has on the Council's balances.

5. Background

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

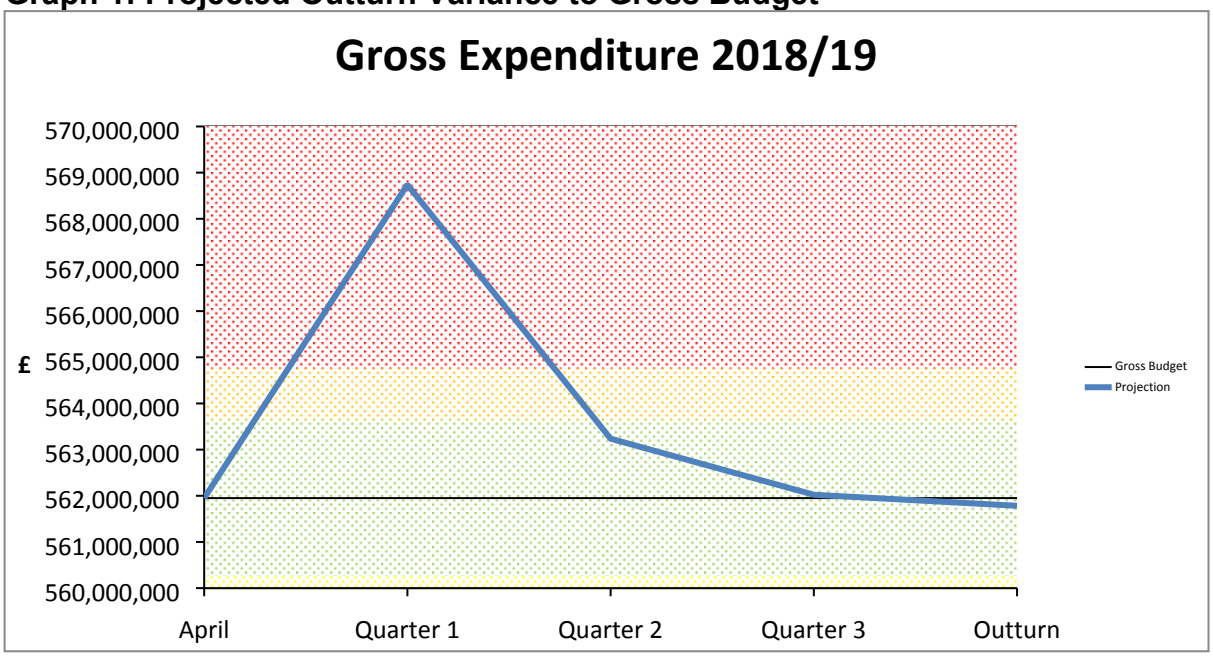
6. Revenue Outturn Position

6.1 The final outturn for 2018/19 shows net controllable revenue expenditure of £208.601m and a controllable underspend of £0.167m. The overall position for service areas and Schools' balances is detailed in Table 1 below.

Table 1 – Final Controllable Outturn

	£'000
Net Budget	208,768
Controllable Outturn for 2018/19	208,601
Controllable Underspend for 2018/19	**(167)**

Graph 1: Projected Outturn Variance to Gross Budget



6.2 The controllable underspend of £0.167m for 2018/19 is presented below by service area in Table 2. End of year entries include items of non-controllable spend (e.g. insurance) that are not included within service projections throughout the year. To enable comparison with previous monitoring reports, the non-controllable element of spend has been excluded from the figures presented below to enable a direct comparison to be made between controllable expenditure at year end, and projections made throughout the year.

Table 2: 2018/19 Budget Variations Analysed by Service Area (£'000)

Service Area	Revised Budget £'000	Outturn £'000	(Under) / Overspend £'000	RAGY Classification
Adult Services	98,516	99,006	490	G
Central DSG	-	-	-	G
Children's Services	49,271	53,859	4,588	R
Commercial Services	1,253	1,896	643	R
Corporate Budgets	(30,185)	(33,098)	(2,914)	Y
Finance, Governance & Assurance	2,158	1,743	(414)	Y
Legal & Democratic Services	662	233	(429)	Y
Place	82,111	81,442	(669)	Y
Public Health	4,747	4,325	(422)	Y
Strategic Management Board	30	(225)	(255)	Y
Workforce & Transformation	206	(578)	(785)	Y
Total	**208,769**	**208,602**	**(167)**	**Y**

6.3 Services have worked hard throughout the year to deliver a balanced council position overall, through the implementation of a spending freeze in the early part of the financial year.

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

7. Update on Savings Delivery

7.1 During the year the savings projections are RAG rated in order to establish the deliverability of the savings and any potential impact on the outturn projection for the 2018/19 financial year. The RAG ratings are categorised as follows:

Red – Savings are not solved on an ongoing basis, nor have they been achieved in the current financial year. These are reflected as unachieved within this monitoring report.

Amber – Savings have been identified on an ongoing basis in the current financial year, however there is no clear evidence to support the delivery as yet. The projected outturn within this report assumes these savings will be delivered (see 4.3 below).

Green – Savings have been identified on an ongoing basis in the current financial year, with evidence of delivery.

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

Table 3: 2018/19 Savings Proposals – Final Outturn

Service Area	Red £'000	Amber £'000	Green £'000	Total Savings £'000
Adult Services	-	-	902	902
Central DSG	-	-	-	-
Children's Services	1,026	-	617	1,643
Commercial Services	1,140	-	2,231	3,371
Corporate Budgets	-	-	500	500
Finance, Governance and Assurance	-	-	1,400	1,400
Legal and Democratic Services	-	-	182	182
Place	-	-	5,766	5,766
Public Health	141	-	416	557
Strategic Management Board	-	-	-	-
Workforce and Transformation	731	-	489	1,220
Council	**3,037**	**-**	**12,504**	**15,541**

7.2 The figures presented above show that 80% of the 2018/19 savings target were achieved and rated green with the remainder unachieved and rated red. Paragraph 7.4 below provides further detail on the red savings.

7.3 Table 4 provides further analysis of savings delivery impact on final position for each service area.

7.4 The £3.037m 2018/19 red savings not delivered relate to:

- Reduced provision of home to school transport, and reduced costs of safeguarding placements, within Children's Services
- Efficiencies within administrative buildings and increased income from the Shrewsbury shopping centres within Commercial Services
- Reduced maintenance of closed churchyards and reduced posts within Regulatory Services, within Public Health
- Redesign of the Council's single front door, and the voluntary redundancy programme, within Workforce and Transformation.

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

7.5. When setting the Council's budget for 2019/20, £1.842m of growth funding has been applied in order to remove some of the savings above that have been determined to be undeliverable. £1.396m of the savings above are therefore still required to be delivered as the delivery of these savings targets were considered to be delayed rather than undeliverable. Delivery of these savings will be scrutinised at regular savings challenge meetings scheduled to take place with Directors throughout the year. Savings carried forward are listed in table 5 below and their current 2019/20 RAG delivery status is also shown.

7.6. In addition to the red savings pressures, a number of ongoing pressures were identified within service areas during the year. £0.116m of these ongoing pressures have arisen as a result of previous years' unachieved savings. £0.062m is within Public Health and relates to Community Safety, and £0.054m is within Workforce and Transformation and relates to Credit Union. Work is ongoing to determine how these pressures can be mitigated on an ongoing basis in the future.

7.7. Other ongoing pressures include:

- increased purchasing pressures within Adult Services
- contributions to children's special educational placements from the high needs block of DSG, within Central DSG
- loss of income, notably DSG, and increased costs of home to school transport, within Learning and Skills
- increased numbers and complexity of residential and foster placements, including Unaccompanied Asylum Seeking Children, and increased staff costs, within Children's Safeguarding
- increased property costs within Corporate Landlord, and reduced income within Property Services, within Commercial Services
- reduced land charges and building control income within Economic Growth
- increased costs of public transport and concessionary fares within Infrastructure and Communities
- reduced CCTV income within Community Safety.

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

7.8 Table 4 below lists all of the ongoing pressures identified in 2018/19.

Table 4: Reconciliation of Monitoring Projections to Savings Delivery

	Outturn £000	Savings Pressure in 2018/19 £000	Ongoing Monitoring Pressures Identified £000	Ongoing Monitoring Savings Identified £000	One Off Monitoring Pressures Identified £000	One Off Monitoring Savings Identified £000
Adult Services Business Support & Development	(446)					(446)
Provider Services	(750)				201	(951)
Social Care Operations	1,472		2,623		232	(1,383)
Adult Services Management	346				346	
Housing Services	(132)				257	(389)
Adult Services	490	-	2,623	-	1,036	(3,169)
Central DSG	-		867		933	(1,799)
Central DSG	-	-	867	-	933	(1,799)
Learning & Skills	1,728	596	1,508	-	228	(603)
Children's Social Care & Safeguarding	2,651	430	1,024	-	2,860	(1,663)
Early Help, Partnerships and Commissioning	208		-	-	441	(233)
Children's Services Management	1		-	-	1	-
Children's Services	4,588	1,026	2,531	-	3,530	(2,499)
Corporate Landlord	(429)		322		290	(1,041)
Strategic Asset Management	553	640				(87)
Property Services	(35)		154			(190)
Shire Services	-					
Head of Commercial Services	554	500			54	
Commercial Services	643	1,140	476	-	344	(1,317)
Corporate Budgets	(2,914)		-	-	2,186	(5,099)
Corporate Budgets	(2,914)	-	-	-	2,186	(5,099)
Finance, Governance & Assurance	(422)	-	462	-	380	(1,264)
Commissioning Development & Procurement	8		-	-	16	(9)
Finance, Governance and Assurance	(414)	-	462	-	396	(1,272)
Legal & Democratic Services	(429)		-	-	191	(620)
Legal and Democratic Services	(429)	-	-	-	191	(620)
Director of Place	(47)		-	-	-	(47)
Economic Growth	(13)		266	-	15	(294)
Infrastructure & Communities	(609)		459	-	1,605	(2,673)
Place	(669)	-	725	-	1,620	(3,014)
Public Health - Ring Fenced	0	-				
Public Health - Non Ring Fenced	(422)	141	109	-	100	(771)
Public Health	(422)	141	109	-	100	(771)
Strategic Management Board	(255)					(255)
Strategic Management Board	(255)	-	-	-	-	(255)
Technology & Communications	(1,067)	-	54	-	127	(1,248)
ICT Digital Transformation	848	731			116	
Human Resources & Development	(435)	-	-	-	57	(492)
Information, Intelligence & Insight	(131)	-				(131)

	Outturn £000	Savings Pressure in 2018/19 £000	Ongoing Monitoring Pressures Identified £000	Ongoing Monitoring Savings Identified £000	One Off Monitoring Pressures Identified £000	One Off Monitoring Savings Identified £000
Workforce and Transformation	(785)	731	54	-	300	(1,871)
TOTAL	**(167)**	**3,237**	**7,846**	**-**	**10,636**	**(21,686)**

Table 5: 2018/19 Carried Forward Savings Targets

Service	Savings Area	£'000
Children's Services	Home to school transport	596
Commercial Services	Rationalisation of administrative buildings	100
Workforce and Transformation	Redesign of the Council's single front door	500
Total Savings Unachieved in 2018/19 Carried Forward into 2019/20		**1,196**

Table 6: 2018/19 Pressures Arising which are Likely to Impact in 2019/20

Directorate	Service Area	Ongoing Pressure	£'000
Adult Services	Social Care Operations	Social care placements	2,623
Central DSG	High Needs Block	Independent special school placements	867
Children's Services	Learning and Skills	Home to school transport	1,305
		Loss of DSG contributions	203
	Children's Safeguarding	Social care placements	675
		UASCs	150
		Increased staff costs	198
Commercial Services	Corporate Landlord	Property costs across the estate	322
	Property Services	Reduced income	154
Finance, Governance and Place	Revenues and Benefits	Reduced Housing Benefits settlement	462
	Planning Services	Reduced land charges and building control income	266
	Highways and Transport	Public transport and concessionary fares	459
Public Health	Multi Agency	CCTV (including unachieved saving brought forward)	109
Workforce and Transformation	Customer Services	Credit Union unachieved saving brought forward	54
Total Pressures Carried Forward into 2019/20			**7,846**

7.8. The Council operates two internal funds to help deliver savings now and into the future. The Invest to save Fund was established in 2014 enabling business cases to be put forward with the aim to generate savings and repay the investment back into the fund with interest. From an opening balance of £2.0m in 2014, additional investment into and repayments to the fund since have resulted in an opening balance of £3.342m in 2018. In total since the fund was created investment of £2.405m has been approved, of which £0.814m has been spent to date, and repayments totaling £1.315m have been made from projects. The Development Fund was established for similar purposes, but where a proposal would not deliver a direct or short-term return on investment. Spend in year has totaled £0.619m, leaving remaining funds at £1.7m by year end. These funds are an important enabler in helping to deliver savings and relieve demand pressures in 2019/20 and beyond.

8. General Fund Balance

8.1. The effect on the Council's reserves of the outturn is detailed below. The Council's policy on reserve balances is to have a General Fund balance (excluding schools balances) of between 0.5% and 2% of the gross revenue

budget. For 2018/19 the minimum balance required would therefore be £2.810m, although this is no longer considered to be an acceptable guide.

8.2. The more appropriate risk based target balance for the General Fund, as calculated in the Robustness of Estimates and Adequacy of Reserves 2018-24, reported to Council on 28th February 2019, is £18.063m in 2018/19, rising to £20.400m in 2019/20 and to £34.700m by 2023/24. These figures were significantly increased within the review, reflecting the remaining funding gap in these years as set out in the Financial Strategy, and the significant level of risk associated with the uncertainty over a number of funding sources that have not yet been confirmed as part of the multi-year settlement that the Council has signed up to. At the time of the report it was noted that the projected balance of the General Fund would be below £20.400m during 2019/20.

8.3. The Council has received one-off funding in 2018/19 of £0.105m to fund any cost implication arising from Brexit. This has been contributed to the General Fund as shown in table 5 below, as any residual costs arising from Brexit will have to be found from the General Fund balance.

8.4. Based on the outturn position, the General Fund balance has increased at year-end to £15.491m, as shown in table 5 below, however the balance is still significantly below the required risk assessed target.

Table 7: General Fund Balance as at 31 March 2019

	£'000
General Fund Balance as at 31 March 2018	15,311
One-Off Brexit Funding for 2018/19	105
Outturn Controllable Underspend	167
Outturn Non-Controllable Insurance Overspend	(46)
Outturn Contribution	121
Projected Balance at 31 March 2019	**15,537**

9. Housing Revenue Account (Appendix 2)

9.1 The Housing Revenue Account (HRA) outturn for 2018/19 shows a surplus of £1.589m against a budgeted deficit of £2.270m, giving a £3.859m variance against the approved budget which represent 21.5% of the gross turnover of £17.9m. The HRA was due to make a direct contribution of £3.96m to part finance the capital works programme for major repairs and building new affordable homes, however delays in the purchase of the land has resulted in this spend being delayed and therefore this spend will instead be released in 2019/20. As at 31 March 2019 the HRA reserve stood at £9.8m and these funds are available to finance future HRA capital works or for the repayment of HRA debt.

10. Reserves and Provisions (Appendix 4)

10.1. The Council has created a number of specific reserves and provisions to provide for known or anticipated future liabilities and to assist in protecting essential services. Earmarked reserves are balances held for specific items that will occur in the future. Provisions are held to meet expenses that will occur as a result of past events and where a reliable estimate can be made of the obligation.

10.2. The overall position for reserves and provisions is set out in the Statement of Accounts 2018/19, however a detailed breakdown of the balances is contained at Appendix 4, with an explanation of each reserve and provision. These figures may be subject to change before the Council's final Statement of Accounts is produced. The change in revenue reserves and provisions are detailed in table 8 below.

Table 8: Movement in Reserves and Provisions 2018/19

Balance Held	Reserves £000	Provisions £000	Bad Debt Provisions £000	Total Reserves & Provisions £000
As at 31 March 2018 As at 31 March 2019	69,839 71,726	11,423 12,410	11,344 12,260	92,606 96,396
Increase/(Decrease)	**1,887**	**987**	**916**	**3,790**
Delegated School Balances Movement	(1,196)	0	0	(1,196)
Increase/(Decrease) (excluding Delegated School Balances)	**3,083**	**987**	**916**	**4,986**

10.3. In accordance with the financial strategy the Council will be using one off funding to close the funding gap between 2019/20 and 2020/21. This will result in the Financial Strategy Reserve reducing to zero by 2020/21 unless an alternative strategy is followed. The balance of digital transformation funding is also held in the Development Reserve and this will be fully applied in 2019/20. Other Earmarked Reserves are expected to fall over the coming years for a number of reasons. It is difficult to project use with any accuracy, but balances would not be expected to fall to below £20m in the long term. The estimated future balances on earmarked reserves are as shown in table 9 below:

Table 9: Estimated Future Balances on Earmarked Reserves and Provisions

	Balance c/f 2018/19 £'000	Estimated Closing Balance 2019/20 £'000	2020/21 £'000
Financial Strategy Reserve	20,867	19,716	0
Development Reserve	9,886	676	0
Other Earmarked Reserves	40,973	25,446	23,446
Provisions	24,670	24,670	24,670
Total	**96,396**	**70,508**	**48,116**

Delegated School Balances

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

Table 10: Movement in delegated schools' balances 2018/19

	2017/18 £000	2018/19 £000	Increase/ (Decrease) £000
Schools:			
- Revenue Balances	4,051	2,983	(1,068)
- Invested Balances	919	607	(312)
- Extended Schools Grant Balance	534	645	111
Sub Total within Schools	**5,504**	**4,235**	**(1,269)**
Purchasing IT equipment	(129)	(55)	74
Total Delegated School Balances	**5,375**	**4,180**	**(1,195)**

10.5. Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion. Of the 92 schools with balances, 86 schools have surplus balances and 6 have deficit balances.

10.6. The Extended Schools Grant allocations for schools were paid over during 2018/19, these balances have been ringfenced to each individual school within School Balances.

10.7. Following consultation with the school's forum and head teachers, the school balances have been used to purchase IT equipment for schools, the cost of this equipment is then recharged to schools over the life of that equipment, effectively operating as an internal leasing arrangement. At the end of 2018/19 £0.55m of the £4.235m was being used in this way.

11. Original and Final Capital Programme for 2018/19

11.1 The capital budget for 2018/19 was subject to a review of all projects at Quarter 3 and re-profiling where required into future years with no further re-profiling into future years being anticipated during Quarter 4. However, in Quarter 4 it

has been necessary to undertake some minor re-profiling totalling £0.010m; £0.017m in relation to a Diocese contribution to a school basic need scheme which is not required in 2018/19 so re-profiled to 2019/20 and £0.027m additional funding required in 2018/19 in relation to an Early Years scheme (£0.015m) and a Natural & Historic Environment scheme (£0.012m), so re-profiled from 2019/20. Additionally, in Quarter 4 there has been a net budget increase of £0.838m for 2018/19, compared to the position reported at Quarter 3 2018/19. Table 11 summarises the overall movement, between that already approved, changes for Quarter 4 that require approval.

Table 11: Revised Capital Programme Quarter 4 2018/19

Detail	Agreed Capital Programme - Council 23/02/18	Budget Changes Approved Quarter 3 2018/19	Quarter 4 Budget Changes to be Approved	Revised 2018/19 Capital Programme Quarter 4
General Fund				
Place & Enterprise	31,151,398	9,755,230	752,094	41,658,722
Adult Services	1,509,968	2,429,513	19,859	3,959,340
Public Health	300,000	(83,408)	-	216,592
Childrens Services	9,210,167	(2,619,195)	44,114	6,635,086
Resources & Support	6,060,200	98,759	-	6,158,959
Total General Fund	**48,231,733**	**9,580,899**	**816,067**	**58,628,699**
Housing Revenue Account	5,166,075	2,876,993	31,500	8,074,568
Total Approved Budget	**53,397,808**	**12,457,892**	**847,567**	**66,703,267**

11.2 Within the financing of the Capital Programme £0.941m is funded from revenue contributions. The major areas of revenue contributions to capital are £0.677m in ringfenced HRA monies to undertake major housing stock repairs and new build schemes and £0.135m for Outdoor Partnerships schemes, primarily Severn Valley Country Park RPA Extension.

11.3 Full details of all budget changes are provided in Appendix 5 to this report. A summary of the significant budget changes for 2018/19 and future years are detailed below:

Budget Increases

- Housing Infrastucture Fund (HIF) award of £0.449m from MHC&LG awaiting formal offer letter.
- ERDF funding of £0.025m under the Sustainable Energy in Public Buildings (SEPuBu) project.
- Further Section 106 funding of £0.182m in 2018/19.
- Increase in Other Contributions of £0.050m in relation to a school project due to a contribution from the Diocese.
- Revenue contributions of £0.048m have been added to the capital programme in relation to various school schemes.
- £0.032m has been added to the capital programme from the Major Repairs Allowance.
- Capital Receipts of £0.065m have been added to the capital programme in relation to business grant schemes.
- Provisional notification of Devolved Formula Capital funding for 2019/20 of £0.881m.

Budget Decreases

- Reduction of £0.013m in CIL contribution requirement for School Place Planning projects following confirmation of tender values.

Budget Re-profiling

- **Children's Services:** re-profiling of £0.017m Other Contributions in relation to a school project which will not be required in 2018/19 to 2019/20 and re-profiling of £0.015m in relation to an Early Years scheme that is required in 2018/19 from 2019/20.
- **Place & Enterprise:** re-profiling of £0.012m in relation to a Natural & Historic Environment scheme that is required in 2018/19 from 2019/20.

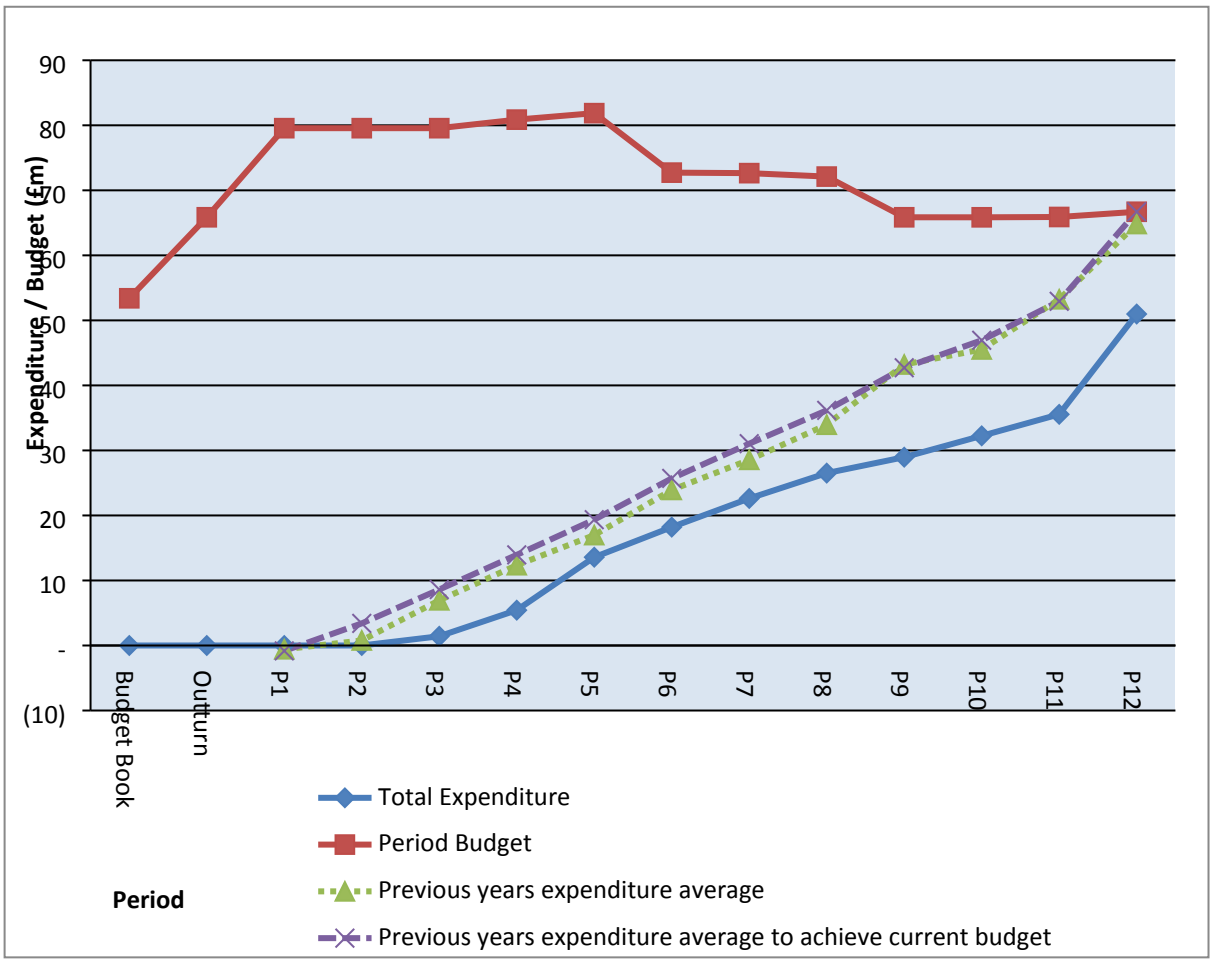
12. Capital Outturn Position

12.1. The capital programme is reviewed on a regular basis to re-profile the budget to reflect the multi-year nature of capital schemes, whereby spend may slip into later years. However, it is possible that a level of underspend or overspend may be experienced against the revised capital budget at outturn. Outturn projections are incorporated into the capital monitor to enhance the monitoring information provided and allow the early identification where schemes are deviating from budget. Table 12 summarises the outturn position for 2018/19.

Table 12: Capital Programme Outturn Position by Service Area 2018/19

Service Area	Revised Capital Programme - Outturn 2018/19	Actual Expenditure 31/03/2019	Variance	Spend to Budget %
General Fund				
Place & Enterprise	41,658,722	31,993,600	9,665,122	77%
Adult Services	3,959,340	2,651,150	1,308,190	67%
Public Health	216,592	97,956	118,636	45%
Childrens Services	6,635,086	5,100,028	1,535,058	77%
Resources & Support	6,158,959	5,627,381	531,578	91%
Total General Fund	**58,628,699**	**45,470,115**	**13,158,584**	78%
Housing Revenue Account	8,074,568	5,504,864	2,569,704	68%
Total Approved Budget	**66,703,267**	**50,974,979**	**15,728,288**	**76%**

12.2. Total capital expenditure for 2018/19 was £50.975m, which equated to 76% of the re-profiled capital programme of £66.703m. The graph below shows actual expenditure by period and also tracks the period by period changes to the budget.



12.3. There was a total variance of £15.728m between the revised Outturn Budget and the Outturn Expenditure. All of this underspend will be slipped to 2019/20 to facilitate completion of projects commenced in 2018/19. Full details of expenditure variances at scheme level are in Appendix 5. A summary of significant variances by service area are provided below.

12.4. **Place & Enterprise** - Total underspend against the Place & Enterprise capital programme was £9.665m. The most significant areas of underspend are:

- £3.392m against Corporate Landlord. £2.342m of this is against the Tannery scheme and is simply due to low spend in Quarter 4 compared to the Quarter 3 profile. There is no overall delay in the project timeframe and expenditure is expected to revert back to profile by Quarter 2 of 2019/20. There is also a £0.501m underspend against Ellesmere Remediation; ground surveys continue and work will commence in 2019/20.
- £2.275m against The Highways & Transport Local Transport Plan. Primarily due to the announcement of the additional Pothole Fund in the 2018 Autumn Statement. Expenditure will continue into early 19/20 as agreed with the Department of Transport (DfT).
- £1.093m against LEP schemes, primarily SITP (£0.996m) due to delays in relation to the Pride Hill works.
- £1.468m against Ludlow Assembly Rooms Refurbishment scheme. Under the original grant offer spend required completion by 31st March 2019. Early in Quarter 4 it became evident that this was not possible and ERDF

consequently extended the deadline. Completion of work is anticipated in Quarter 1 of 2019/20.

- £0.745m against Planning Policy - Affordable Housing schemes. £0.246m of this is against Shrewsbury Self Build where NHB monies for the purchase of suitable sites has not been fully utilised during 2018/19. Identification of suitable land will continue in 2019/20. Additionally, there is £0.309m against Site Acquisition Fund; a non-time limited, specific Government grant to support local community-led housing schemes through the acquisition of land or empty properties. Consultation with local communities is ongoing and grants will be awarded as community bids come forward
- Various other minor underspends have occurred on projects across other areas of Place & Enterprise.

12.5. **Adult Services** - Total underspend against Adult Services was £1.308m. This was £0.720m on Social Care schemes and £0.588m on Housing Health & Wellbeing. Within Housing Health & Wellbeing, £0.290m is against Disabled Facilities Grant (DFG), despite significant re-profiling at Quarter 3. This is simply due to the nature of the grant awards and assessment timeframes. A further £0.297m is against the Home Ownership for People with Long-Term Disabilities (HOLD) scheme (a scheme designed to enable individuals with enduring physical and / or learning disabilities to buy a home of their own). This is due to genuine delays in securing mortgages from providers resulting in low grant awards to assist purchase. The scheme will continue in 2019/20 with continued Government support.

12.6. **Public Health** - Total underspend against the Public Health capital programme was £0.119m. This was entirely in relation to Private Sector Housing Empty Property Incentive Grants.

12.7. **Children's Services** - Total underspend against the Children's Services capital programme was £1.535m. This was spread through-out the different areas of the programme despite significant re-profiling in year.

12.8. **Resources & Support** - Total underspend against the Resources & Support capital programme was £0.531m in relation to the ICT Digital Transformation Programme.

12.9. **Housing Revenue Account** - Total underspend against the HRA programme of £2.570m, of which £2.799m was on the Major Repairs Programme.

13. Financing of the Capital Programme

13.1. Appendix 5 provides a full summary of the financing of the 2018/19 capital programme. Table 13 summarises the financing sources and changes made to Quarter 3 and to be approved to Quarter 4.

Table 13: Revised Capital Programme Financing

Financing	Agreed Capital Programme - Council 23/02/2019	Budget changes approved Quarter 3 2018/19	Quarter 4 budget changes to be approved	Revised 2018/19 Capital Programme Quarter 4
Self Financed Prudential Borrowing *	8,197,000	(1,486,239)	-	6,710,761
Government Grants	28,969,300	11,367,082	449,546	40,785,928
Other Grants	2,541	1,020,479	24,867	1,047,887
Other Contributions	207,699	3,033,222	213,738	3,454,659
Revenue Contributions to Capital	-	892,891	47,665	940,556
Major Repairs Allowance	4,526,210	1,804,474	31,590	6,362,274
Corporate Resources (expectation - Capital Receipts only)	11,495,058	(4,174,017)	80,161	7,401,202
Total Confirmed Funding	**53,397,808**	**12,457,892**	**847,567**	**66,703,267**

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

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

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

Table 14: Capital Programme 2019/20 to 2021/22

Service Area	2019/20	2020/21	2021/22
General Fund			
Place & Enterprise	37,276,536	18,817,000	15,001,000
Adult Services	3,600,000	-	-
Public Health	230,000	-	-
Childrens Services	15,535,747	3,364,358	1,000,000
Resources & Support	5,000,000	-	-
Total General Fund	**61,642,283**	**22,181,358**	**16,001,000**
Housing Revenue Account	7,600,950	-	-
Total Approved Budget	**69,243,233**	**22,181,358**	**16,001,000**
Financing			
Self Financed Prudential Borrowing *	4,252,000	1,678,000	100,000
Government Grants	39,135,197	20,389,070	15,901,000
Other Grants	50,040	-	-
Other Contributions	2,930,280	-	-
Revenue Contributions to Capital	4,224,293	-	-
Major Repairs Allowance	3,900,950	-	-
Corporate Resources (expectation - Capital Receipts only)	14,750,473	114,288	-
Total Confirmed Funding	**69,243,233**	**22,181,358**	**16,001,000**

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

14.2. The Corporate Resources financing line above is the element of internal resources through capital receipts and corporately financed prudential borrowing required to finance the programme. Current expectation is these will all be through capital receipts, see Section 15 for the current projected position. Proposals are currently been considered through the Capital Investment Board for new schemes for the Council to invest in, with an emphasis on invest to save schemes and schemes that create revenue generation.

15. Capital Receipts Position

15.1 The current capital programme is heavily reliant on the Council generating capital receipts to finance the capital programme. There is a high level of risk in these projections as they are subject to changes in property and land values, the actions of potential buyers and being granted planning permission on sites. Table 15 below, summarises the current allocated and projected capital receipt position across 2018/19 to 2021/22. A RAG analysis has been applied for capital receipts projected, based on the current likelihood of generating them by the end of each financial year. Those marked as green are highly likely to be completed by the end of the financial year, amber are achievable but challenging and thus there is a risk of slippage, and red are highly unlikely to complete in year and thus there is a high risk of slippage. However, no receipts are guaranteed to complete in this financial year as there may be delays between exchanging contracts and completing.

15.2 Capital receipts of £20.857m were brought forward from 2017/18 and £3.094m was generated in 2018/19. As previously reported, following the re-profiling in the capital programme and mid-year review of the programme, sufficient receipts had been generated to finance this year's capital programme without any corporate prudential borrowing. Of the receipts generated in year, £2.162m has been used to finance redundancy costs under the recent flexibilities around the use of Capital Receipts for transformation revenue purposes.

Table 15: Projected Capital Receipts Position

Detail	2018/19 £	2019/20 £	2020/21 £	2021/22 £
Corporate Resources Allocated in Capital Programme	1,273,851	21,809,664	114,288	-
Capital Receipts used to finance redundancy costs	2,161,938			
To be allocated from Ring Fenced Receipts		9,405,942	3,395,518	-
Total Commitments	**3,435,789**	**31,215,606**	**3,509,806**	**-**
Capital Receipts in hand/projected:				
Brought Forward in hand	20,857,133	20,515,122	(5,978,153)	(9,022,959)
Generated 2018/19 YTD	3,093,778	-	-	-
Projected - 'Green'		4,722,331	465,000	-
Total in hand/projected	**23,950,911**	**25,237,453**	**(5,513,153)**	**(9,022,959)**
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	**(20,515,122)**	**5,978,153**	**9,022,959**	**9,022,959**
Further Assets Being Considered for Disposal		**4,097,745**	**3,400,000**	-

15.3 Following the underspend position for the capital programme for 2018/19 and the Council policy of applying un-ringfenced capital grants in place of capital receipts where they are not required in full due to scheme underspends, the Council has £20.515m in capital receipts in hand at 31/03/19. These will be set-aside, enabling the Council to achieve an additional MRP saving of £0.621m in 2019/20. These capital receipts are required to finance schemes they are allocated to in the future year's capital programme.

15.4 Based on the current approved position, across the life of the programme there is a shortfall in capital receipt projections of £5.978m in 2019/20 and £9.023m in 2020/21 based on receipts rated green in the RAG analysis to fund the required budget in the capital programme. There is, therefore, the requirement to progress the disposals rated amber and red which total £7.498m to ensure

they are realised, together with realising the revenue running cost savings from some of the properties. Considerable work is required to realise these receipts, with generally a lead in in time of at least 12 to 18 months on larger disposals. In addition to the current expenditure commitments, the programme will also grow as new schemes are approved through the Capital Investment Board.

15.5 It is important that work progresses, to avoid a funding shortfall in 2019/20 and minimise any shortfall in future years. Even if the further assets being considered for disposal are realised there is still a projected shortfall in the level of capital receipts required to fund the capital programme of £1.525m. This shortfall will need to managed by either further reducing or re-profiling the capital programme, some of which will occur naturally as part of the review of the delivery of schemes; or undertake prudential borrowing, which will incur future year's revenue costs that are not budgeted in the revenue financial strategy.

15.6 The projected shortfall in capital receipts is purely based on the currently approved capital programme for the period 2019/20 to 2021/22. The current Capital Strategy 2019/20 to 2023/24, approved by Council in February 2019, identifies potential future capital schemes with estimated costs of £289.926m. It is prudent for schemes which are not anticipated to generate additional income to be funded from capital receipts. This will further increase the future pressure on capital receipts generation.

16. Unsupported borrowing and the revenue consequences

16.1. The Council can choose what level of unsupported (prudential) borrowing to undertake to fund the capital programme, based on affordability under the prudential code. There is an associated revenue cost to fund the cost of the unsupported borrowing. This consists of the Minimum Revenue Provision (MRP) charge for the repayment of the principal amount, based on the asset life method and the interest charge associated with the borrowing. The current PWLB borrowing rate over 25 years is around 2.70% and is currently only projected to rise by 0.50% across the next two years. As covered in Section 15 above there are insufficient receipts in hand/projected to finance the existing approved programme. If there were to be a requirement for new schemes financed from borrowing, this could be accommodated from within existing borrowing and current cash balances in the short term, without the requirement to undertake new borrowing. This would, however, create an additional MRP cost, which would need to be met from the revenue budget.

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

Revenue and Capital Budget 2018/19
Financial Rules
Financial Monitoring Report – Quarter 1 2018/19
Financial Monitoring Report – Quarter 2 2018/19
Financial Monitoring Report – Quarter 3 2018/19

Appendices

1. Service Area Outturn 2018/19
2. Housing Revenue Account 2018/19
3. Amendments to Original Revenue Budget 2018/19
4. Reserves and Provisions 2018/19
5. Capital Budget and Expenditure 2018/19

Appendix 1

Service Area Outturn 2018/19

Summary

Directorate	Full year			RAGBY	FOR INFO ONLY		
	Net Budget £	Controllable Outturn £	Controllable Variation £		Outturn (incl. Non Controllable items*) £	Non Controllable Variation £	Total Variation £
Adult Services	98,516,050	99,005,843	489,793	G	99,826,131	820,288	1,310,081
Central DSG	-	-	-	G	793,619	793,619	793,619
Children's Services	49,270,940	53,858,592	4,587,652	R	52,931,519	(927,073)	3,660,579
Commercial Services	1,253,070	1,896,091	643,021	R	18,823,834	16,927,742	17,570,764
Corporate Budgets	(30,185,410)	(33,098,924)	(2,913,514)	Y	(57,741,928)	(24,643,004)	(27,556,518)
Finance, Governance & Assurance	2,157,810	1,743,339	(414,471)	Y	1,855,529	112,190	(302,281)
Legal & Democratic Services	661,720	232,878	(428,842)	Y	551,932	319,054	(109,788)
Place	82,110,750	81,441,604	(669,146)	Y	86,807,446	5,365,842	4,696,696
Public Health	4,747,210	4,325,439	(421,771)	Y	4,667,599	342,160	(79,611)
Strategic Management Board	29,950	(224,737)	(254,687)	Y	(224,350)	387	(254,300)
Workforce & Transformation	206,360	(578,496)	(784,856)	Y	356,327	934,823	149,967
TOTAL	**208,768,450**	**208,601,629**	**(166,821)**	**Y**	**208,647,657**	**46,027**	**(120,793)**

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

Detail of Controllable Outturn and Variations

ADULT SERVICES	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
Total	98,516,050	99,005,843	489,793	G

Adult Services Business Support & Development	Portfolio Holder Health & Adult Social Care	3,529,970	3,083,737	(446,233)	Y
There is an underspend within Business Support and Development of (£0.446m) which is largely due to one-off reserves being retrospectively applied and a number of managed variances across the service. The vacancies are not sustainable beyond the short-term. A summary of the major variances are as follows: • (£0.079m) underspend on Business Support staffing and costs associated with the posts, due to delays in appointing to vacant posts. • (£0.122m) underspend on Joint Training and the Professional Development Unit of which (£0.041m) relates to					

ADULT SERVICES		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
delays in appointing to vacant posts and the remaining (£0.081m) is an underspend on the delivery of training. • (£0.174m) due to the application of Syrian refugee reserves that have been drawn down earlier than anticipated to retrospectively cover related expenditure that was originally covered by base budget. • (£0.071m) underspend/increased sales on Welfare to Work initiatives. (£0.050m) of this relates to a saving brought forward from 2019/20 to replace a red saving elsewhere in the Adult Services budget					
Provider Services	**Portfolio Holder Health & Adult Social Care**	5,526,910	4,776,912	(749,998)	Y
There is an underspend within Provider Services of (£0.750m) which is largely due to client contributions towards care services being treated differently in year, as well as a number of variances across the service which are not sustainable beyond the short-term. The major variances are as follows: • (£0.017m) underspend on TUPE arrangements following the outsourcing of Crowmoor House in 2016 • (£0.097m) underspend relating to preventative services contracts • (£0.045m) underspend in Shared Lives accommodation as the client contributions are now received into this service area – the corresponding increase falls in Social Care Operations • (£0.295m) underspend across all Day Services. (£0.096m) is due to a management restructure and in year vacancies. (£0.079m) is due to variances in working budgets such as transport recharges, office costs, equipment and furniture replacement and the remaining (£0.120m) is due to an overachievement of day centre income due to client contributions income now being received into day services, overachievement of pool hire income and additional health funded clients. This additional funding / income is not sustainable in the longer term • £0.201m historic overspend relating to Four Rivers Nursing Home, due to higher than budgeted staff costs, including agency, reduced income from NHS partners and a smaller number of self-funded clients. This is not considered on-going as the budget will be revised in 19/20 to reflect the new arrangements in occupancy status of the home. • (£0.497m) underspend relating to the Start team. (£0.317m) is due to not being able to fill vacancies, mainly in central areas and the north of the county and the remaining (£0.179m) is due to one-off winter pressure funding being applied here to fund additional costs of increasing capacity of the service.					
Social Care Operations	**Portfolio Holder Health & Adult Social Care**	82,329,320	83,801,045	1,471,725	A
An overspend of (£1.471m) is within the Social Care Operations section of Adult Services. In 2018/19 we have seen 2,063 new clients since 1st April 2018, costing in the region of £8.639m for this financial year. Of these 1,006 clients are in long term packages. Some of this additional cost has been offset by people leaving the system and through the review of existing care packages to reduce care where suitable. The major variances are as follows: •(£0.642m) underspend within Assistive Services, which is in relation to the purchasing of occupational therapy equipment. It has been agreed in 2018/19 that all equipment will be funded from Disabled Facilities Grant which sits under Shropshire Council's capital scheme • £0.076m overspend on transport costs • £0.155m overspend on property costs within Supported Living accommodation • £2.623m overspend on the net cost of purchasing. As alluded to above, there is an expanding market of clients that Shropshire Council is under obligation to support and we are seeing increased fees with care providers in order to meet these clients' needs. Different central government funding streams have reduced some of the short term pressures but this is not sustainable in the long term. Small percentage differences in numbers and cost have a large impact on the outturn position. • (£0.508m) underspend on all operational social work staffing due to delays in appointing to a number of staff vacancies. • (£0.233m) underspend on external reablement contract spend due to this work being carried out by the START team					
Adult Services Management	**Portfolio Holder Health & Adult Social Care**	2,896,300	3,242,359	346,059	R
There is an overall overspend of £0.346m due to increasing the bad debt provision within Adults services based on the level of current debt					
Housing Services	**Portfolio Holder Health & Adult Social Care**	4,233,550	4,101,790	(131,760)	Y
There is an underspend of (£0.132m) across housing services mainly due to a number of non-sustainable staffing					

ADULT SERVICES	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
vacancies. A summary of the major variances is as follows: • (£0.327) underspend across Housing staffing budgets, including supplies and services budgets. Some of the cost of this has been offset by the use of new grant monies. • £0.172m overspend on temporary accommodation due to large repair and maintenance works on dilapidated properties • £0.085m due to the increased provision of bad debt within Housing Services, based on the current level of debt within the service • (£0.062m) underspend on preventative spend on temporary accommodation for the homeless				

CENTRAL DSG		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
Central DSG	**Portfolio Holder Children's & Young People**	-	-	-	G

There was an overspend of £1.410m against the Central DSG budget. £0.531m of this overspend has been funded by the balance of DSG funding carried forward from 2017/18, however that left a remaining deficit of £0.879m. This deficit has been funded by a one-off contribution from corporate reserves to be refunded from Central DSG in 2019/20. To achieve the underspend required to fund this repayment, a task and finish group comprising various stakeholders is working to produce a financial recovery plan to identify strategies to produce savings, particularly in the High Needs Block.

£0.824m of the £1.410m overspend on Central DSG relates to the High Needs Block of DSG where the total expenditure was £19.988m compared to the budget of £19.164m. The budget pressures relate to top-up funding to mainstream settings (£0.430m) and independent special school placements (£1.072m). These two areas of budget pressure are offset by the additional high needs funding of £0.627m which was announced in December 2018.

The overspend on independent special school placements mirrors the national picture being reported by the f40 group of local authorities during a recent survey of high needs costs pressures. The responses concluded increasing demand for independent special school placements, and higher contributions from education towards joint social care placements signalling increasing complexity of children's needs.

The outturn position for the Early Years Block of DSG is an overspend by £0.764m on a provisional budget of £15.156m. This overspend was only identified as of late February once the Spring Term Nursery payments for two, three and four year olds had been processed, therefore the projected overspend on the DSG is significantly higher than previously reported to Cabinet as at the end of quarter 3.

The main reason for this pressure is a large overspend in relation to the Early Years allocations for two, three and four year old nursery entitlement. There are a couple of reasons for the overspend against these budget allocations. Firstly, the number of academic weeks being funded within the financial year. The Council receives funding from the ESFA for an academic year of 38 weeks since parents are entitled to provision of 15 hours each week over 38 weeks. The number of funded weeks in a financial year varies from year to year and in 2018-19 there were a total of 40 funded weeks. This is being classed as a one-off budgeting pressure since measures have been put in place for 2019/20 to ensure that the Service only funds providers on the basis of the number of academic weeks that the Council is funded for.

Secondly, the Council has experienced a higher take up of provision in this year than previously resulting in a greater draw on the funding. Across the course of the year there were around 100 additional 2-year-old children taking up provision over the course of the year and around an additional 50 three and four year olds compared to the numbers of children for whom the Council receives funding through the Early Years National Funding Formula. The Council will receive some compensation for this when the 2018/19 funding allocation is revised to take account of the January 2019 census figures. However, we will only receive 5/12ths of the full year funding for those

additional children. It is estimated that these additional children resulted in around £0.400m of additional spend over the year of which we hope to receive around £0.100m back in additional income.

There are one-off budget monitoring pressures and savings on some Central DSG budget areas which partially offset the large overspends on the Early Years and High Needs Blocks of DSG to give the in-year deficit position of £1.410m.

CHILDREN'S SERVICES	**Full year**			**RAGY**
	Budget	**Controllable Outturn**	**Controllable Variance**	
	£	£	£	
Total	49,270,940	53,858,592	4,587,652	R

Learning & Skills	**Portfolio Holder Children's & Young People**	19,511,000	21,239,254	1,728,254	R

The final position reflects unachieved 2018/19 savings of £0.596m in Home to School Transport. In February 2019, a paper was presented to Cabinet on the discretionary areas of School and College Transport comprising; Nursery SEND pupil transport, SEND post 16 students and post 16 mainstream students. The paper outlined proposed policy changes to these discretionary areas to deliver £0.203m in savings. Cabinet approval was granted to commence a 6 week consultation on the proposed policy changes detailed in the paper, with a paper scheduled to return to Cabinet on 22nd May 2019 with the results of the consultation. If Cabinet make a decision to adopt the proposed policies on 22nd May, the new policies will be implemented on 1st September on a phased approach, protecting those pupils entitled within existing schemes. This means these savings were not delivered in full in 2018/19. The remaining savings will be delivered through a range of initiatives that do not require consultation.

As well as unachieved savings targets, Learning and Skills' overspend results from reductions in Central Government grants. Although some growth was built into the 2018/19 budget to negate for most of the loss of grant, £0.203m remains as an ongoing pressure and relates specifically to the loss of Dedicated Schools Grant funding. This was a direct result of a baselining exercise undertaken by the Department for Education to remove any Dedicated Schools Grant funding that did not meet strict criteria that constitutes a historic spending commitment, but that fund statutory functions that the Council is required to undertake.

There was also a budget pressure of £0.023m in Governor Services. Reduced SLA income has continued and there is likely to be a downward trend in income as the demand for traditional Governor support services has started to reduce as schools have federated under one governing body, while others join multi-academy trusts (MATs). This shortfall in income has been largely managed in year through one-off vacancy management savings while the service reviews its offer to schools. To address this an initial redesign of Governor Services has already been implemented and the consequence of this has been a reduction in the size of the team and the Casual Governor Services Clerks will cease to be employed by the Council from 1st April 2019 and will be employed directly from schools/MATs.

Additionally, there is a forecast overspend of £1.305m in Home to School Transport largely as a consequence of an increase in the Special Education Needs cohort and an increase in the number of academic days in the financial year. SEN passenger numbers have increased from 690 in September 2015 to 767 in September 2017 and are projected to continue to increase 5% a year.

The cost pressures above are partially offset by one-off underspends totalling £0.265m. Some of this is from services carrying temporary vacancies or have achieved higher than budgeted levels of income and some of this relates to the schools' redundancy pot where the costs incurred in 2018/19 have been lower than 2017/18. This could be explained by the smaller number of maintained schools.

CHILDREN'S SERVICES		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
Children's Social Care & Safeguarding	**Portfolio Holder Children's & Young People**	27,228,860	29,880,038	2,651,178	R

An unachieved 2018/19 savings target around reductions to external placement costs accounts for £0.430m of the £2.651m overspend.

Firstly, Children's Safeguarding are committed to increasing foster placement sufficiency so that the Council can care for more looked after children within a family environment. This is not only in the best interests of the majority of looked after children but will lead to significant financial savings. The aim is to increase the pool of foster carers and look to identify and support foster carers with looking after more complex children. This will reduce demand for expensive residential provision. In addition to this, a strategy to develop additional in-house residential provision has been approved by Council in February. This strategy is being implemented on the basis that following initial capital investment to acquire properties, internal provision will deliver revenue savings through supporting a few of the most complex children at a lower cost than the market rate. This residential work is being prioritised at a senior level and agreement has been sought to appoint a Project Manager to ensure that this strategy is implemented as soon as possible. Due to the longer term nature of these strategies, the £0.430m has not be achieved in this financial year. The placements savings target of £0.430m no longer forms part of the Council's savings targets in the latest financial strategy, however these strategies described above will be implemented in order to manage expenditure growth in this area and address the increasing overspend on Children's Placements.

Although there is a view within the service that these strategies will deliver significant savings, there are some external risk factors that may impact on these savings being achieved. These include on-going placement disruption for our most complex young people resulting in children moving from foster placements to high cost residential placements and a continued high number of children coming into care through care proceedings, evidenced by the increase in Shropshire's looked-after children (LAC) numbers from 338 on 1st April 2018 to 397 at the end of the 2018/19 financial year.

Further, to the unachieved saving relating to placement costs, there is a forecast ongoing monitoring pressure of £0.606m relating to external residential care and all foster care placements. This means that the overall pressure on external residential care and all foster care placements is £1.036m. The service is satisfied that the children and young people coming into the care of Shropshire Council in this financial year are children that need to be in the care system. The service has experienced increasing complexity of Shropshire's looked after children. This is reflecting the national picture with all Local Authorities reporting increasingly complex children. There is a continued drive to reduce higher cost residential placements for children where it is appropriate, and this will have a positive impact on the budget. It is notable that this is a volatile area where costs can change significantly from year to year.

An ongoing monitoring pressure of £0.198m relates to increased capacity built into the Children's Placement Service to enable the recruitment of more carers and retain and support current carers. A business case was approved as part of the strategy to increase foster placement sufficiency described above.

In addition to the above there was an overspend of £0.457m relating to Unaccompanied Asylum Seeking Children (UASC). Although some growth was built in to the 2018/19 budget in anticipation of this continuing pressure from 2017/18 this has been insufficient. Central Government funds a proportion of these costs through a weekly value based on the child's age. Previously the Council has managed to fund these costs within the grant funding available but due to some complex safeguarding needs and high flight risks there has been a need to place some children in high cost placements that are not fully funded, placing a pressure on the service. There are 3 UASC currently in high cost residential placements which will mean an on-going cost pressure to the service in 2018/2019 however plans are in hand to reduce the cost of the high cost placements. Only a portion of these costs are categorised as ongoing pressures since the Council will receive Central Government funding for the 2018/19 costs in the 2019/20 financial year.

There is an on-going budget pressure of £0.767m caused by agency staffing costs in the social work teams. This pressure has continued from previous years. It is necessary to ensure that children who are looked after, on a

CHILDREN'S SERVICES		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
Child Protection Plan or in children in need of a plan are adequately supported in line with statutory timescales and this will dictate that sickness, maternity or temporary vacancy must be covered in the interim through agency staff. There is also a heavy reliance on agency social workers due to the number of social worker vacancies and the challenges in recruiting to vacant posts. The service remains focused on recruitment and retention with the identification of a dedicated HR worker to support with the timely recruitment of social workers. The recruitment campaign for children's services has been reviewed and updated and we are part of two graduate programmes for social work including Frontline and Step Up. The service is also working to develop 8-10 social work apprentices. A retention payment has been made available to retain social workers in the teams that are hardest to recruit. A one-off monitoring pressure of £0.206m is being reported against the Council's internal residential homes budget. £0.087m of this cost relates to one-off building works at the new emergency accommodation unit and a further approx. £0.048m relates to new staffing appointments at this home where a new registered manager, deputy manager and residential care workers have been or are in the process of being appointed. The remaining overspends occur across various expenditure headings across the 3 internal residential units. A business case was approved to develop residential provision on an invest to save basis. £0.015m of underspends relate to one-off monitoring savings across several teams. The issues of rising demand for high cost residential placements and cost pressures from agency social workers are not local to Shropshire and are reflected nationally.					
Early Help, Partnerships and Commissioning	**Portfolio Holder Children's & Young People**	2,081,600	2,289,230	207,630	R
The overspend in Early Help is largely the result of an unachieved 2017/18 saving around Early Help Family Hubs that has carried forward. A report was presented to Cabinet at the end of September 2018 on Phase 2 of the Early Help Family Hubs strategy to feedback on the consultation around specific hub locations and seeking approval for the locations of Early Help Hubs. The proposed delivery model will deliver children's centre services from 7 new family hubs across Shropshire and will deliver the outstanding savings in Early Help from 2019/20. Consequently this overspend is categorised as a one-off monitoring pressure.					
Children's Services Management	**Portfolio Holder Children's & Young People**	449,480	450,070	590	G
Minor variation from budget at outturn.					

COMMERCIAL SERVICES	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
Total	1,253,070	1,896,091	643,021	R

Corporate Landlord	**Portfolio Holder Corporate Support**	3,364,930	2,936,063	(428,867)	Y
The variance of (£0.429m) can be attributed to a number of variances across the various property areas. Highways and Transport properties underspent by (£0.253m), this is mainly due to a backdated rates contribution from a third party at a car park totalling (£0.149m). Additionally there were savings on water and drainage charges in this area of (£0.034m), and rental income was (£0.051m) above budget, due to backdated recovery at a highways depot.					

COMMERCIAL SERVICES		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
The Economic Development sites have out-turned at (£0.209m) under budget, this is primarily due to income being (£0.165m) which is from new tenants and backdated income being received. Cultural and heritage properties (including museums, libraries and leisure properties) have underspent by (£0.067m), this is due to a lease surrender totalling (£0.070m) and the Council's admin buildings have also underspent, by (£0.111m), this is a combination of efficiencies in operating, new income and savings in business rates. These underspends are partially offset by overspends within Adult Care Homes of £0.102m, Childrens & Educational sites (excluding schools) of £0.027m and Traveller Sites of £0.059m. The repairs and maintenance budget has a reported overspend of £0.142m due to the volume of planned and reactive maintenance required across the corporate estate in this financial year, this has been offset by underspends explained above. Whilst the overall position within Corporate Landlord is a positive for 2018/19, the vast majority of the savings found this year relate to backdated or one-off measures. These savings will not be available in future years so the estate will be under continued pressure to deliver to budget in future years.					
Strategic Asset Management	**Portfolio Holder Corporate Support**	(2,109,920)	(1,557,007)	552,913	R
Vacancy management within the Strategic Asset Management teams has created a projected under-spend of £0.087m, offset by income from the Shrewsbury Shopping Centres, totalling £2.060m for 2018/19. The £52m investment in the Shopping Centres was built in to the Minimum Revenue Provision (MRP) Policy although, in the short term the acquisition was funded from cash balances with no requirement to borrow. In the short-term the gross return on the investment significantly exceeds expectations, and this is partially due to the recent change in the Council's MRP Policy. The net overall benefit is split between the Corporate Budget (MRP) below and rental income shown here. The overall return on the Shopping Centre investment is therefore in excess of the budgeted return for 2018/19. Whilst the retail sector continues to change we are developing a proactive and strategic approach to leaseholder management.					
Property Services	**Portfolio Holder Economic Growth**	48,430	13,137	(35,293)	Y
Through vacancy management and control of expenditure budgets, Property Services Group delivered savings of £0.190m, which offset an income shortfall of £0.154m. An income shortfall was identified early enough in the financial year to allow this corrective action to be taken and the ongoing income pressure will be monitored closely in 2019/20.					
Shire Services	**Portfolio Holder Corporate Support**	262,450	262,450	-	G
Shire Services had a deficit of £0.223m for the financial year due to pay increases and changes to employee terms and conditions and the loss of some contracts for the cleaning service. This deficit has been offset by a contribution from the Shire Catering and Cleaning Efficiency Reserve.					
Head of Commercial Services	**Portfolio Holder Economy & Growth**	(312,820)	241,449	554,269	R
A £0.500m pressure has arisen following an unachieved savings target around asset rationalisation. This saving will be fully unachieved this financial year. The Head of Commercial Services has recently had approval to appoint a dedicated investments team, and when in place this team will be focused around delivering projects that bring commercial returns to help off-set future year's savings targets. An additional cost of £0.054m has been incurred this year to set this team up which is budgeted for in 2019/20.					

CORPORATE BUDGETS	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
Total	(30,185,410)	(33,098,924)	(2,913,514)	Y

Corporate Budgets	Portfolio Holder Finance	(30,185,410)	(33,098,924)	(2,913,514)	Y

An underspend was identified within Corporate Budgets due to corporate inflation and pay costs that were budgeted but not required (£1.437m) in 2018/19. These budgets have been corrected in the 2019/20 budget strategy. An additional £0.691m was also received in Business Rate Retention Grant at the year end.

Treasury Management achieved their savings targets at year end due to improved interest rates against projections.

The Minimum Revenue Provision (MRP) budget savings resulting from the amended policy for calculation, has been contributed to the Development Reserve as planned to fund the remainder of the Digital Transformation Programme.

Additional savings were identified following a review of existing budgets, grants and reserves, a total of (£0.900m) was identified as surplus on a one-off basis in 18/19.

In year savings of (£0.061m) related to non-distributable costs, and a further (£0.042m) from savings on estimated audit fees. At year end following a recalculation of the bad debt provision required a total of (£0.212m) was able to be released back to revenue generating a one-off saving.

A contribution from earmarked reserves has also been applied corporately to offset the overspend within Central DSG of £0.879m.

FINANCE, GOVERNANCE & ASSURANCE	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
Total	2,157,810	1,743,339	(414,471)	Y

Finance, Governance & Assurance	Portfolio Holder Finance	1,969,010	1,546,621	(422,389)	Y

A number of service areas within Finance, Governance & Assurance reported underspends for the 2018/19 financial year. Audit outturned at (£0.148m) under budget, which was due to staffing savings (£0.066m), income overachievement (£0.018m) and savings on external contract budgets (£0.065m). Finance outturned at (£0.511m) under budget, with recovery of VAT monies relating to changes in legislation (£0.500m) included this. Staffing savings of (£0.109m) offset an income shortfall of £0.019m, one-off software costs of £0.069m and a small overspend in supplies and services budgets totalling £0.011m. Treasury & Exchequer has delivered an underspend of £0.038m, consisting of staffing savings (£0.009m), income overachievement (£0.008m) and savings in supplies and services budgets (£0.021m). Risk Management has also underspent by (£0.191m), this is due to a planned drawdown of insurance reserves. All of the underspends reported above have been identified as either a one-off saving for 2018/19, or taken as a saving at budget setting for 2019/20.

The Revenues and Benefits Service area has reported an overspend of £0.488m, consisting of a number of

FINANCE, GOVERNANCE & ASSURANCE		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
conflicting over and underspends. There was an initial pressure of £0.315m, through a historic savings target relating to the delayed implementation of Universal Credit. This has now been rolled out and savings have been made towards this target in 2018/19 with a full year effect in 2019/20. Within this financial year this has been achieved through staffing savings (£0.100m), additional income through grants and external customers totalling (£0.163m), and a reduction in software costs resulting in an underspend of (£0.108m). Further savings in controllable supplies and services budgets totalled (£0.018m). The council has incurred an overspend of £0.561m against the Housing Benefit subsidy received in April 2019. There has been an increase in subsidy expenditure that cannot be reclaimed due to a number of factors, including increased levels of homelessness, short term accommodation, war pension, and protected rents. In addition to this the council has increased its bad debts provision and seen a reduction in the recovery of overpayments. A review of recent years indicates a trend in the increasing net cost of housing benefits to the council, and this will require close attention in future financial years.					
Commissioning Development & Procurement	**Portfolio Holder Corporate Support**	188,800	196,718	7,918	G
Minor variation from budget at outturn.					

LEGAL & DEMOCRATIC SERVICES	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
Total	661,720	232,878	(428,842)	Y

Legal & Democratic Services	**Portfolio Holder Corporate Support**	661,720	232,878	(428,842)	Y
Increased pressures specifically relating to child care cases were expected in this volatile area, the final overspend within child care was £0.176m. In year savings within Legal Services (£0.093m) were delivered from vacancy management efficiencies, and (£0.048m) was achieved from additional planning related income. The savings target of (£0.100m) was met as a result of a review of specific service areas. Additional Income of (£0.281m) was received in relation to election services. Supplementary income was secured by providing election services to another local authority (£0.080m). Management actions from period 6 have identified (£0.055m) savings across Legal and Democratic Services. Members Services have contributed a further (£0.047m) savings across various budget headings within Democratic Services.					

PLACE	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
Total	82,110,750	81,441,604	(669,146)	Y

Director of Place	**Portfolio Holder Communities, Waste & Regulatory Services**	637,430	590,089	(47,341)	Y
The post was vacant for a short period following the departure of the previous post holder in April, leading to an under-spend against the budget.					
Director of Place Total		637,430	590,089	(47,341)	Y

Planning Services	**Portfolio Holder Planning & Housing Development**	1,391,260	1,416,276	25,016	G
There is reduced income from Land Charges/Searches resulting from fewer applications and there has been an increase in caseloads (enforcement/dangerous structures) for the Building Control team. This has largely been offset by additional income in Street Naming and Numbering and Planning, together with expenditure savings achieved within the service area.					
Economic Growth	**Portfolio Holder Economy & Growth**	900,130	847,196	(52,934)	Y
Savings resulting from staff vacancies and other reductions achieved.					
Broadband	**Portfolio Holder Economy & Growth**	239,180	243,041	3,861	G
Minor variation from budget at outturn.					
Planning Policy	**Portfolio Holder Planning & Housing Development**	487,730	499,031	11,301	G
Minor variation from budget at outturn.					
Head of Economic Growth	**Portfolio Holder Economy & Growth**	147,240	146,775	(465)	Y
Minor variation from budget at outturn.					
Economic Growth Total		**3,165,540**	**3,152,320**	**(13,220)**	**Y**

Head of Infrastructure & Communities	**Portfolio Holder Communities, Waste & Regulatory Services**	190,900	194,473	3,573	G
Minor variation from budget at outturn.					
Arts	**Portfolio Holder Culture & Leisure**	82,770	91,976	9,206	G
Minor variation from budget at outturn.					
Community Enablement	**Portfolio Holder Communities, Waste & Regulatory Services**	882,390	750,458	(131,932)	Y
The underspend is due to a number of post-holders who left throughout the year through voluntary redundancy and were not be replaced.					
Environmental Maintenance	**Portfolio Holder Highways & Transport**	25,244,270	25,239,669	(4,601)	Y
Minor variation from budget at outturn					

PLACE		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
Highways & Transport	**Portfolio Holder Highways and Transport**	5,835,060	6,316,284	481,224	R
There are additional costs in relation to public transport provision, traffic management and design costs and concessionary fares reimbursements to bus operators. There are also variances in relation to parking income as the implementation of the parking strategy did not take place until the latter part of the year. The 'Grey Fleet' (Casual Car user allowance) saving has had initial trials and has only just been fully rolled out. Finally, additional temporary staff arrangements have led to a further overspend. There has been some additional grant received, savings in service expenditure and additional income within the Streetworks team which has reduced what would otherwise have been a more significant overspend.					
Outdoor Partnerships	**Portfolio Holder Culture and Leisure**	1,366,270	1,375,794	9,524	G
Minor variation from budget at outturn.					
Shropshire Hills AONB	**Portfolio Holder Culture & Leisure**	68,350	69,259	909	G
Minor variation from budget at outturn.					
Leisure	**Portfolio Holder Culture & Leisure**	3,326,710	3,381,651	54,941	A
Variances include reduced income, a one-off equipment purchase to improve security, a contribution for continued increased support to a facility, offset by supplies and services underspends due to implementing a part year spending freeze.					
Libraries	**Portfolio Holder Culture & Leisure**	4,010,610	3,952,579	(58,031)	Y
A planned reduction in the fleet of mobile library vehicles reduced the recharged costs from the Transport Management Office. Other variances have been identified across staffing, and supplies and services budgets where the spending freeze implementation has helped to result in underspends.					
Locality Commissioning	**Portfolio Holder Communities, Waste & Regulatory Services**	282,830	221,063	(61,767)	Y
A Cabinet decision earlier in the financial year has led to a reduction in the budget (£0.043m) for youth commissioning from 2018/19. Further underspends have been identified on the room hire budget for youth activities.					
Theatre Services	**Portfolio Holder Culture & Leisure**	376,400	(44,740)	(421,140)	Y
This year the Theatre has had an incredibly packed programme of performances which have all sold particularly well. This has resulted in the highest ever gross income since opening for both general performances and the pantomime. Consequently, the net position is significantly under budget.					
Museums and Archives	**Portfolio Holder Culture & Leisure**	1,786,160	1,805,356	19,196	G
Minor variation from budget at outturn.					
Waste Management	**Portfolio Holder Communities, Waste & Regulatory Services**	34,722,840	34,210,575	(512,265)	Y
The tonnage of residual waste that was sent to landfill was significantly lower than budgeted for. More residual waste than anticipated was able to be passed through the Council's energy recovery facility.					
Culture and Heritage Manager	**Portfolio Holder Culture & Leisure**	132,220	134,797	2,577	G

PLACE	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
Minor variation from budget at outturn.				
Infrastructure & Communities Total	**78,307,780**	**77,699,195**	**(608,585)**	**Y**

PUBLIC HEALTH		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
Total		4,747,210	4,325,439	(421,771)	Y
Coroners & Bereavement Services	**Portfolio Holder Health & Adult Social Care**	202,130	153,075	(49,055)	Y
Overall an underspend of £0.049m has been achieved as work on grounds maintenance has improved the cemetery areas and resulted in a greater number of burial plots available for sale. Savings of £0.047m in relation to the renegotiation of the Shrewsbury Town Council service level agreement have not been achieved but this has been offset in 18/19 by underspends in Coroner post-mortem and other expense budgets.					
Multi Agency	**Portfolio Holder Health & Adult Social Care**	504,510	660,326	155,816	R
Overall an overspend of £0.156m has been reported due to a number of variances across the service. The major cause of this variance is a £0.190m projected overspend in Community Safety, which is as a result of unachieved savings and the cancellation of aged debtor invoices. The service is looking at ways of claiming funding towards the cost of management posts and other delivery models in order to try to achieve the required savings. A £0.031m underspend has been achieved in the Emergency Planning Unit due to the resignation of the team manager and delays in recruiting to a vacant post. The Links/Healthwatch service which aims to give patients, services users, carers and the wider public a say in the way that health and social care services are run has achieved savings of £0.068m; all contributions from the Council base budget have been withdrawn and the service is now funded purely from external funding. Savings of £0.039m on Targeted Mental Health in Schools and the Healthy Child Development Programme have been achieved through the removal of vacant posts and the reduction in scheme budgets.					
Public Health – Ring Fenced	**Portfolio Holder Health & Adult Social Care**	23,470	23,470	-	G
Officers within the ring fenced element of Public Health are working on a number of savings initiatives in order to bring the overall cost of the ring fenced services to within available funds in future years. These savings initiatives include increased income generation within the Help to Change service and the roll out of commercial activities such as Health TV. The Public Health Grant has been cut by 2.6% in 2018/19 and is expected to be reduced by a further 2.6% in 2019/20.					
Trading Standards and Licensing	**Portfolio Holder Planning & Housing Development**	817,700	602,787	(214,913)	Y
An underspend of £0.215m has been reported due to a number of vacant posts within the service; plans are in place to appoint to the vacant posts and therefore the underspend variance is not sustainable beyond the short term. In addition to underspends in relation to vacant posts, income generating activities in relation to parking enforcement and licensing fees have exceeded budgeted levels. These income generating activities are performed on a cost recovery basis and therefore any surplus is reinvested into the delivery of the services.					
Regulatory Services	**Portfolio Holder Planning & Housing Development**	2,963,310	2,785,463	(177,847)	Y
An underspend of £0.178m has been reported due to a number of vacant posts within the service; plans are in place to appoint to the vacant posts and therefore the underspend variance is not sustainable beyond the short term.					
Registrars	**Portfolio Holder Health & Adult Social Care**	236,090	100,319	(135,771)	Y
An underspend of £0.136m has been achieved due to higher than anticipated Registration Fee income. The service continues to operate commercially in order to maximise income and control its costs and is expected to deliver £0.040m of savings in 2019/20.					

STRATEGIC MANAGEMENT BOARD	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
Total	29,950	(224,737)	(254,687)	Y

Strategic Management Board	Leader of the Council	29,950	(224,737)	(254,687)	Y
In year efficiencies have been achieved of (£0.078m) from a combination of vacancy and budget management within the PA team. Additionally one-off savings of (£0.176m) have been identified following a review of budgets and expenditure following the spend freeze.					

WORKFORCE & TRANSFORMATION	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
Total	206,360	(578,496)	(784,856)	Y

Technology & Communications	Portfolio Holder Corporate Support	412,660	(654,239)	(1,066,889)	Y
An overspend of £0.147m was incurred due to unachieved historic savings and the use of agency staff. This was mitigated by underspends of (£0.202m) achieved in year from a combination of vacancy management, reduced spending on supplies and services, and from increased income across customer access. A further overspend has been identified of £0.034m relating to the use of reserves which has been confirmed as no longer available. IT Services delivered in year efficiencies of (£0.089m) across vacancy management and supplies and services, in addition one off savings of (£0.686m) relating to funds held for infrastructure expenditure were confirmed as not required in 2018/19 only. Additional income was secured in year mainly from print services (£0.078m) and recharges for licensing to DTP (£0.189m).					
ICT Digital Transformation	**Portfolio Holder Corporate Support**	(436,170)	411,677	847,847	R
Of the £1.000m savings target relating to Digital Transformation £0.267m was achieved in year. Potential savings relating to the provision of face to face services have been identified, but these were not able to be delivered in year and are subject to approval. Work is being undertaken to identify how the savings can be delivered in future years.					
Human Resources & Development	**Portfolio Holder Corporate Support**	186,020	(248,523)	(434,543)	Y
In year savings of (£0.340m) across Workforce & Transformation have been achieved in relation to vacancy management efficiencies. In addition, as part of the drive to increase the commerciality and expansion of the service, it has secured additional income generation for Occupational Health Services (£0.053m) alongside an additional (£0.021m) within Health & Safety Services. Income across HR services in general has also contributed towards in year savings (£0.020m) while (£0.061m) has been realised as part of the spending freeze and recent review of the teams.					
Information, Intelligence & Insight	**Portfolio Holder Corporate Support**	43,850	(87,411)	(131,261)	Y
In year savings were achieved from receipt of grant funding to cover one post (£0.048m), vacancy management efficiencies (£0.053m) and from the spending freeze (£0.030m).					

Appendix 2

Housing Revenue Account 2018/19

As at March 2019	Original Estimate £	Projected Outturn £	Variance Adverse/ (Favourable) £
Income			
Dwellings Rent	(17,194,090)	(17,267,828)	(73,738)
Garage Rent	(116,640)	(130,693)	(14,053)
Other Rent	(17,000)	(87,931)	(70,931)
Charges for Services	(608,720)	(632,482)	(23,762)
Total Income	**(17,936,450)**	**(18,118,934)**	**(182,484)**
Expenditure			
ALMO Management Fee	8,004,090	8,004,090	0
Supplies and Services	534,030	611,850	77,820
Capital Charges - Dwelling Depreciation	3,780,110	3,806,540	26,430
Capital Charges - Depreciation Other	173,700	172,020	(1,680)
Interest Paid	2,993,360	2,990,646	(2,714)
Repairs charged to revenue	500,000	418,523	(81,477)
Revenue Financing Capital Expenditure	3,963,010	434,473	(3,528,537)
New development feasibility	100,000	20,746	(79,254)
Increase in Bad Debt Provision	50,000	50,000	0
Corporate & Democratic Core	131,000	162,498	31,498
Total Expenditure	**20,229,300**	**16,671,386**	**(3,557,914)**
Net Cost of Services	**2,292,850**	**(1,447,548)**	**(3,740,398)**
PWLB Premium amortised	0	0	0
Interest Received	(23,000)	(141,117)	(118,117)
Net Operating Expenditure	**2,269,850**	**(1,588,665)**	**(3,858,515)**
Net Cost of Service/(Surplus) for Year	**2,269,850**	**(1,588,665)**	**(3,858,515)**
HRA Reserve			
B/fwd 1 April	8,224,821	8,224,821	
Surplus/(Deficit) for year	(2,269,850)	1,588,665	
Carried Forward 31 March	5,947,650	9,813,486	

Earmarked Reserves for the HRA

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2018/19 (£'000)	Income in 2018/19 (£'000)	Balance Carried Forward (£'000)
HRA Earmarked Reserves					
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	4,514	(46)	226	15,491
	Total	**4,514**	**(46)**	**226**	**15,491**

Appendix 3

Amendments to Original Budget 2018/19

	Total	Adult Services	Children's Services	Commercial Services	Corporate Budgets	Finance, Governance and Assurance	Legal and Demographic Services	Place	Public Health	Strategic Management Board	Workforce and Transformation
Original Budget as Agreed by Council	**208,768**	**97,846**	**49,628**	**1,021**	**(28,223)**	**1,917**	**579**	**81,500**	**4,888**	**0**	**(388)**
Quarter 1											
Additional 1% pay award budget allocation	**0**	153	151	32	(740)	68	18	155	67	6	91
Movement of premises budgets between service areas and Corporate Landlord	**0**	(5)	(106)	123				(12)			
Transfer of posts between Highways and Transport and Trading Standards and Licensing	**0**							(30)	30		
Q1 Revised Budget	**208,768**	**97,995**	**49,673**	**1,176**	**(28,963)**	**1,984**	**597**	**81,613**	**4,984**	**6**	**(297)**
Quarter 2											
Additional pay award for employees graded SCP19 and below	**0**	96	16	2	(201)	7	0	51	9	0	20
Allocation of voluntary redundancy savings, following delivery	**0**	(18)		(66)		(25)		(30)	(15)		154
Centralisation of budgets relating to historic pension costs	**0**	(167)	(60)		245	(18)		(0)			
Reallocation of internal market recharges	**0**	45	(175)	8	0	15	3	66	16	1	21
Movement of premises budgets between service areas and Corporate Landlord	**0**			13				(13)			
Q2 Revised Budget	**208,768**	**97,951**	**49,454**	**1,134**	**(28,919)**	**1,964**	**601**	**81,686**	**4,994**	**7**	**(103)**
Quarter 3											
Implementation of pay policy	**(0)**	558	401	119	(2,298)	192	60	488	154	23	304
Correction of pay award virement in Q2	**0**		(11)		11						
Quarter 3 Revised Budget	**208,768**	**98,509**	**49,844**	**1,253**	**(31,206)**	**2,156**	**661**	**82,174**	**5,147**	**30**	**201**
Quarter 4											
Transfer of budgets to fund pay award policy. Savings made in Public Health, leaving scope for the directorate to fund public health outcomes in other directorates	**0**	(400)	(250)		1,052				(402)		
Transfer of posts between Locality Commissioning and Adult Services	**0**	64						(64)			
Correction of Better Care Fund grant income budgets, as per Better Care Fund Plan agreed with Shropshire CCG	**0**	329	(329)								
Reallocation of Apprenticeship Levy budget to reflect actual cost	**0**	14	6		(31)	2	0	2	2		6
Final Revised Budget	**208,768**	**98,516**	**49,271**	**1,253**	**(30,185)**	**2,158**	**661**	**82,111**	**4,747**	**30**	**207**
Cumulative Budget Increase/(Decrease)	(0)	670	(357)	232	(1,963)	241	82	611	(141)	30	595

Appendix 4

Reserves and Provisions 2018/19

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2018/19 (£'000)	Income in 2018/19 (£'000)	Balance Carried Forward (£'000)
Reserves						
Sums set aside for major schemes, such as capital developments, or to fund major reorganisation						
Redundancy	Required to meet one-off costs arising from approved staffing reductions, allowing the full approved savings in salaries or wages to reach the revenue account. *£6.9m of this fund was released conditionally in 2016/17 and is repayable from capital receipts in the future. £2.8m of redundancies were funded directly from capital receipts in 2017/18 and 201819 so the figure owing back this reserves from capital receipts is reduced to £4.1m*	0	0	0	0	0
Revenue Commitments for Future Capital Expenditure	Comprises of underspends against budgeted revenue contributions available for capital schemes. The underspends have arisen due to slippage in capital schemes or because other funding streams were utilised during the year so as to maximise time limited grants.	7,191	0	(3,686)	34	3,539
Development Reserve	Required to fund development projects or training that will deliver efficiency savings. *£3.5m of this fund was released conditionally in 2016/17 and is repayable from capital receipts in the future.*	1,703	0	(4,207)	12,390	9,886
Invest to save Reserve	Required to fund invest to save projects in order to deliver the service transformation programme.	3,553	0	(63)	492	3,983
University	Required to meet the revenue costs arising from the setup of the university project and student accommodation development.	197	0	(197)	0	0
		12,644	**0**	**(8,152)**	**12,916**	**17,408**
Insurance Reserves						
Fire Liability	Required to meet the cost of excesses on all council properties.	3,072	0	(430)	189	2,832

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2018/19 (£'000)	Income in 2018/19 (£'000)	Balance Carried Forward (£'000)
Motor Insurance	An internally operated self-insurance reserve to meet costs not covered by the Council's Motor Insurance Policy.	1,093	0	0	18	1,111
		4,165	**0**	**(430)**	**207**	**3,942**
Reserves of trading and business units						
Shire Catering and Cleaning Efficiency	Built up from trading surpluses to invest in new initiatives, to meet exceptional unbudgeted costs or cover any trading deficits.	701	0	(223)	0	478
		701	**0**	**(223)**	**0**	**478**
Reserves retained for service departmental use						
Building Control	Required to manage the position regarding building control charges.	165	0	0	134	299
Care Act & IBCF Reserve	Required to fund the costs of implementing the Care Act requirements within the Council. This will be committed to the costs of one off posts required to implement the changes and training costs for staff within Adult Services. Plus unspent 17/18 IBCF monies required to fund the IBCF programme in future years.	4,168	(1,140)	(575)	2,374	4,827
Economic Development Workshops Major Maintenance	Established to meet the costs of major maintenance of Economic Development Workshops.	180	0	(31)	0	149
External Fund Reserve	Reserves held where the Council is the administering body for trust funds or partnership working.	556	(12)	(67)	923	1,399
Financial Strategy Reserve	Established specifically to provide one off funding for savings proposals in the Financial Strategy	24,556	2,673	(8,013)	1,651	20,867
Savings Management - Highways	Established specifically to provide one off funding for highways savings proposals in the Financial Strategy	5,625	0	(625)	2,098	7,098
Highways Development & Innovation Fund	Set aside funds for pump priming the Development and Innovation programme.	14	0	0	371	385

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2018/19 (£'000)	Income in 2018/19 (£'000)	Balance Carried Forward (£'000)
New Homes Bonus	Established from unapplied New Homes Bonus Grant balances.	2,608	(950)	(7,487)	7,122	2,608
Public Health Reserve	This reserve includes balances committed to specific public health projects.	927	0	(672)	0	255
Repairs & Maintenance Reserve	Set aside for known repairs and maintenance required to Council owned properties.	1,116	(150)	0	0	966
Resources Efficiency	Established for investment in new developments, particularly information technology, that service area would not be expected to meet from their internal service level agreements for support services.	422	(8)	(137)	175	452
Revenue Commitments from Unringfenced Revenue Grants	Established from unapplied unringfenced Grant balances. Commitments have been made against these balances in 2019/20.	1,510	(413)	(369)	213	942
Severe Weather	Required to meet unbudgeted costs arising from the damage caused by severe weather. The policy of the Council is to budget for an average year's expenditure in the revenue accounts and transfer any underspend to the reserve or fund any overspend from the reserve.	1,496	0	0	1,429	2,924
TMO Vehicle Replacement	Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.	300	0	0	0	300
		44,957	**0**	**(17,975)**	**16,489**	**43,471**
School Balances						
Balances held by schools under a scheme of delegation	Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion.	5,375	0	(5,374)	4,178	4,179
Education – Staff Sickness Insurance	Schools' self-help insurance for staff sickness with premiums met from delegated budgets.	2	0	0	16	18
Education – Theft Insurance	Schools' self-help insurance scheme to cover equipment damage and losses.	68	0	(3)	0	65

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2018/19 (£'000)	Income in 2018/19 (£'000)	Balance Carried Forward (£'000)
Schools Building Maintenance Insurance	The schools building maintenance insurance scheme is a service provided by Property Services for schools. In return for an annual sum all structural repairs and maintenance responsibilities previously identified as the "authority's responsibility" are carried out at no additional charge to the school.	1,927	0	0	237	2,164
		7,372	**0**	**(5,377)**	**4,432**	**6,427**

Total Reserves		**69,940**	**0**	**(32,157)**	**34,043**	**71,726**

Provisions						
Provisions - Short Term						
Accumulated Absences Account	Provision to cover potential future payments of employee benefits not taken as at the end of the year. This is required under IFRS accounting regulations.	2,609	0	(2,609)	1,887	1,887
Other Provisions - Short Term	Includes a number of small provisions including Environmental Maintenance contract commitments and Shopping Centre rental payments	845	0	(733)	171	282
Provisions - Long Term						
Other Provisions - Long Term	Includes a number of small provisions including S106 Accrued Interest, profit share agreements and Shopping Centre rental payments.	465	0	(168)	0	297
Liability Insurance	Provision to meet the estimated actuarial valuation of claims for public liability and employers' liability	3,824		(8)	187	4,002
NDR Appeals	Represents the Council's share of the provision held for successful appeals against business rates.	3,535	0	(3,616)	5,857	5,775
Council Tax Bad Debt	Held for potential write offs of Council tax debtor balances.	4,605	0	(101)	680	5,184
NNDR Bad Debt	Held for potential write offs of NNDR debtor balances.	938	0	(410)	455	983

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2018/19 (£'000)	Income in 2018/19 (£'000)	Balance Carried Forward (£'000)
Tenancy Deposit Clawbacks	This represents deposits held for the economic development workshops that may be repaid at some point in the future.	145		(8)	29	166
General Fund Bad Debts	Held for potential write offs of debtor balances for General Fund Services including Housing Benefits.	5,437	0	(651)	915	5,700
HRA Bad Debts	Held for potential write offs of debtor balances for Housing Revenue Account rents and other debtor balances.	365		(22)	50	393
Total Provisions		**22,767**	**0**	**(8,327)**	**10,230**	**24,670**

Total Reserves & Provisions		**92,606**	**0**	**(40,483)**	**44,273**	**96,396**

HRA Earmarked Reserves						
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	4,514		(4,253)	3,979	4,240
		4,514	**0**	**(4,253)**	**3,979**	**4,240**

Shropshire Council - Capital Programme 2018/19- 2021/22

APPENDIX 5

Capital Programme Summary - Quarter 4 2018/19

Scheme Description	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19	Spend to Budget Variance £	% Budget Spend	B/F Budget 2019/20 £	Budget Virements 2019/20 £	Budget Inc/Dec 2019/20 £	Reprofile to/from future years 2019/20 £	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
General Fund															
Place & Enterprise	40,906,628	-	740,455	11,639	41,658,722	31,993,600	9,665,122	77%	37,252,752	-	35,423	(11,639)	37,276,536	18,817,000	15,001,000
Adult Services	3,939,481	-	19,859	-	3,959,340	2,651,150	1,308,190	67%	3,600,000	-	-	-	3,600,000	-	-
Public Health	216,592	-	-	-	216,592	97,956	118,636	45%	230,000	-	-	-	230,000	-	-
Children's Services	6,590,972	-	46,151	(2,037)	6,635,086	5,100,028	1,535,058	77%	14,652,743	-	880,967	2,037	15,535,747	3,364,358	1,000,000
Resources & Support	6,158,959	-	-	-	6,158,959	5,627,381	531,578	91%	5,000,000	-	-	-	5,000,000	-	-
Total General Fund	**57,812,632**	**-**	**806,465**	**9,602**	**58,628,699**	**45,470,114**	**13,158,585**	**78%**	**60,735,495**	**-**	**916,390**	**(9,602)**	**61,642,283**	**22,181,358**	**16,001,000**
Housing Revenue Account	8,043,068	-	31,500	-	8,074,568	5,504,861	2,569,707	68%	7,600,950	-	-	-	7,600,950	-	-
Total Approved Budget	**65,855,700**	**-**	**837,965**	**9,602**	**66,703,267**	**50,974,975**	**15,728,292**	**76%**	**68,336,445**	**-**	**916,390**	**(9,602)**	**69,243,233**	**22,181,358**	**16,001,000**

Potfolio Holder	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 01/02/19	Spend to Budget Variance £	% Budget Spend	B/F Budget 2019/20 £	Budget Virements 2019/20 £	Budget Inc/Dec 2019/20 £	Reprofile to/from future years 2019/20 £	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
General Fund															
Culture & Leisure - Lezley Picton	2,513,874	255	118	-	2,514,247	641,785	1,872,462	26%	514,499	-	20,000	-	534,499	-	-
Communities - Steve Charmley	49,248	-	-	-	49,248	-	49,248	0%	100,000	-	-	-	100,000	-	-
Planning & Regulation - Robert Macey	2,330,279	-	25,650	11,639	2,367,568	1,588,394	779,174	67%	655,000	-	-	(11,639)	643,361	-	-
Highways & Transport - Steve Davenport	23,913,002	-	156,386	-	24,069,388	20,229,511	3,839,877	84%	17,368,462	-	-	-	17,368,462	16,639,000	14,901,000
Economic Growth - Steve Charmley	12,100,225	(255)	558,301	-	12,658,271	9,533,911	3,124,360	75%	18,614,791	-	15,423	-	18,630,214	2,178,000	100,000
Deputy Leader, Coporate Support - Steve Charmley	6,158,959	-	-	-	6,158,959	5,627,381	531,578	91%	5,000,000	-	-	-	5,000,000	-	-
Health & Adult Social Care - Lee Chapman	4,156,073	-	19,859	-	4,175,932	2,749,105	1,426,827	66%	3,830,000	-	-	-	3,830,000	-	-
Children's Services & Education - Nicholas Bardsley	6,590,972	-	46,151	(2,037)	6,635,086	5,100,028	1,535,058	77%	14,652,743	-	880,967	2,037	15,535,747	3,364,358	1,000,000
Total General Fund	**57,812,632**	**-**	**806,465**	**9,602**	**58,628,699**	**45,470,114**	**13,158,585**	**78%**	**60,735,495**	**-**	**916,390**	**(9,602)**	**61,642,283**	**22,181,358**	**16,001,000**
Housing Revenue Account - Lee Chapman	8,043,068	-	31,500	-	8,074,568	5,504,861	2,569,707	68%	7,600,950	-	-	-	7,600,950	-	-
Total Approved Budget	**65,855,700**	**-**	**837,965**	**9,602**	**66,703,267**	**50,974,975**	**15,728,292**	**76%**	**68,336,445**	**-**	**916,390**	**(9,602)**	**69,243,233**	**22,181,358**	**16,001,000**
					-	-	-	-					-	-	-

RAG Analysis on Schemes

For Current year outturn expenditure on budget:

Red	Programmes that have a forecast outturn in excess of 10% of the current scheme budget
Amber	Programmes that have a forecast outturn in excess of 5% of the current scheme budget
Green	Programmes that have a forecast outturn of less than or equal to the current programme

Scheme progress:

Red	Scheme is significantly below profile at current period and not expected to deliver as original profile
Amber	Scheme is below profile at current period and scheme will not deliver as original profile
Green	Scheme on profile at current period and expected to be delivered as original profile

APPENDIX 5

Shropshire Council - Capital Programme 2018/19- 2021/22

Capital Scheme Details Quarter 4 2018/19

Scheme Description	Code	Portfolio Holder	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19 £	Spend to Budget Variance £	Slipped to 2019/20 £	RAG Status Scheme on Budget	RAG Status Scheme Progress	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
Place & Enterprise																		
Infrastructure & Communities																		
Leisure																		
Sports Equipment Phase 2	KCL01	Lezley Picton	P Davis	300,000	274,239	25,761	-	-	-	25,761	-	25,761	25,761	Green	Green	-	-	
Shrewsbury Sports Village 3G Pitch Replacement	KCL02	Lezley Picton	P Davis	410,823	-	60,823	-	-	-	60,823	6,627	54,196	54,196	Green	Green	350,000	-	
Total						**86,584**	**-**	**-**	**-**	**86,584**	**6,627**	**79,957**	**79,957**			**350,000**	**-**	**-**
Waste Management																		
In Vessel Composting Facility	K6WM0	Robert Macey	P Beard	325,000	-	-	-	-	-	-	-	-	-	Green	Green	325,000	-	
Total						**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**			**325,000**	**-**	**-**
Highways & Transport - LTP																		
Structural Maintenance of Bridges & Structures																		
Bridgeguard - Unallocated	KBG01	Steve Davenport	T Sneddon	Ongoing	-	-	-	-	-	-	-	-	-			-	-	
Bridgeguard - Miscellaneous Expenditure	KBG02	Steve Davenport	T Sneddon	Ongoing	-	-	-	-	-	-	-	-	-			-	-	
Bridgeguard - Consultancy Fees	KBG03	Steve Davenport	T Sneddon	Ongoing	-	242,152	22,021	-	-	264,173	259,345	4,828	4,828			-	-	
Bridgeguard - Hadnall Culvert	KBG05	Steve Davenport	T Sneddon	228,269	202,545	25,724	-	-	-	25,724	25,724	1	1			-	-	
Bridgeguard - Boreton Road Bridge	KBG28	Steve Davenport	T Sneddon	400	400	-	-	-	-	-	-	-	-			-	-	
Bridgeguard - Sandyford Bridge	KBG33	Steve Davenport	T Sneddon	134,185	127,503	6,682	-	-	-	6,682	6,682	1	1			-	-	
Bridgeguard - Bridgnorth Bypass	KBG45	Steve Davenport	T Sneddon	-		-					-	-	-			-	-	
Bridgeguard - Dark Lane Broseley	KBG46	Steve Davenport	T Sneddon	214,489	203,807	10,691	(9)	-	-	10,682	10,682	0	0			-	-	
Bridgeguard - Winterburn Bridge	KBG49	Steve Davenport	T Sneddon	1,269	1,269	-	-	-	-	-	-	-	-			-	-	
Bridgeguard - Windmill Lane Canal Bridge	KBG61	Steve Davenport	T Sneddon	113,976	101,467	11,125	1,384	-	-	12,509	12,509	(0)	(0)			-	-	
Bridgeguard - Gasworks Bridge	KBG63	Steve Davenport	T Sneddon	407,764	7,764	400,000	-	-	-	400,000	374,798	25,202	25,202			-	-	
Bridgeguard - Ledwyche Bridge	KBG67	Steve Davenport	T Sneddon	16,967	16,967	-	-	-	-	-	-	-	-			-	-	
Row - Llys Lane Footbridge	KBG72	Steve Davenport	T Sneddon	20,171	-	20,171	-	-	-	20,171	-	20,171	20,171			-	-	
Bridgeguard - Broad Bridge	KBG73	Steve Davenport	T Sneddon	167,710	210	167,500	-	-	-	167,500	125,070	42,430	42,430			-	-	
Bridgeguard - Soulton Bridge	KBG74	Steve Davenport	T Sneddon	65,102	-	75,000	(9,898)	-	-	65,102	65,102	0	0			-	-	
Bridgeguard - B1201 Rhyd Meredith	KBG84	Steve Davenport	T Sneddon	9,965	-	12,500	(2,535)	-	-	9,965	9,965	(0)	(0)			-	-	
Bridgeguard - B5713 Cound Arbour	KBG85	Steve Davenport	T Sneddon	67,326	-	60,000	7,326	-	-	67,326	67,326	0	0			-	-	
Bridgeguard - B4909 Bridgnorth Station Footbridge	KBG86	Steve Davenport	T Sneddon	-	-	15,455	(15,455)	-	-	-	-	-	-			-	-	
Bridgeguard - B4197 Milford Bridge	KBG89	Steve Davenport	T Sneddon	968	-	-	968	-	-	968	968	-	-			-	-	
Bridgeguard - B6731 Houghtons Pole	KBG90	Steve Davenport	T Sneddon	107,896	111,698	-	(3,802)	-	-	(3,802)	(3,802)	(0)	(0)			-	-	
Total						**1,047,000**	**-**	**-**	**-**	**1,047,000**	**954,369**	**92,631**	**92,631**	Green	Green	**-**	**-**	**-**
Structural Maintenance of Roads																		
Countywide																		
Depot Fixed Costs - Principal	K6P01		T Sneddon	Ongoing	Ongoing	277,776	-	-	-	277,776	235,862	41,914	41,914			-	-	
A41 Tern Hill Roundabout	KHP16		A Wilde			-	-	-	-	-	-	-	-			-	-	
A458 Morville	KHP18		A Wilde				-	-	-	-	58,353	(58,353)	(58,353)					
A4117 Bridgnorth Junc To Weston Fm Cleoburty Mortimer	KHP19		A Wilde			-	-	-	-	-	-	-	-			-	-	
A41 Hinstock	KHP23		A Wilde			-	-	-	-	-	-	-	-			-	-	
A53 Espley Roundabout	KHP26		A Wilde			-	-	-	-	-	1,407	(1,407)	(1,407)			-	-	
A488 High Street Clun	KHP27		A Wilde			-	-	-	-	-	24,528	(24,528)	(24,528)			-	-	
A488 Hope Valley	KHP28		A Wilde			-	-	-	-	-	64,682	(64,682)	(64,682)			-	-	
Heathgates Roundabout	KHP29		A Wilde			-	-	-	-	-	-	-	-			-	-	
WSP Support to Highways Capital	KHP30		A Wilde			-	-	-	-	-	38,418	(38,418)	(38,418)					
Principal Roads Countywide Drainage	KPS9F		T Sneddon			600,000	-	-	-	600,000	6,028	593,972	593,972			-	-	
A529 Road Safety Works - Safer Roads Fund																		
A529 Road Safety Works - WSP	KHP9A		A Wilde	3,888,000	-	1,336,000	-	-	-	1,336,000	65,075	1,270,925	1,270,925			1,380,000	1,172,000	
North West Shropshire																		
NWP - Unallocated	KHP1A		C Fisher			-	-	-	-	-	-	-	-			-	-	
NWP - Construction	KHP1B		C Fisher			-	-	-	-	-		-	-			-	-	
NWP - Reconstruction	KHP1C		C Fisher			-	-	-	-	-	1,690	(1,690)	(1,690)			-	-	
NWP - Overlay & Inlay	KHP1D		C Fisher			-	-	-	-	-	-	-	-			-	-	
NWP - Resurfacing	KHP1E		C Fisher			-	-	-	-	-	6,524	(6,524)	(6,524)			-	-	
NWP - Surface Dressing	KHP1F		C Fisher			84,130	-	-	-	84,130	48,372	35,758	35,758			-	-	
NWP - Remedial Earthworks	KHP1G		C Fisher			-	-	-	-	-	-	-	-			-	-	
NWP - Drainage Structures	KHP1H		C Fisher			-	-	-	-	-	2,852	(2,852)	(2,852)			-	-	
NWP - Kerbs, Footways & Cycle Tracks	KHP1J		C Fisher			-	-	-	-	-	466	(466)	(466)			-	-	
NWP - Fences, Walls & Barriers	KHP1K		C Fisher			-	-	-	-	-	-	-	-			-	-	
NWP - Programme Management & Fees (Mouchel)	KHP1L		C Fisher			-	-	-	-	-	-	-	-			-	-	
NWP - Severe Weather Programme	KHP1M		C Fisher			-	-	-	-	-	-	-	-			-	-	
NWP - Disability Adaptations	KHP1N		C Fisher			-	-	-	-	-	-	-	-			-	-	
NWP - Special Allocation Projects (S74, S106 Etc)	KHP1P		C Fisher			-	-	-	-	-	-	-	-			-	-	

Scheme Description	Code	Portfolio Holder	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19 £	Spend to Budget Variance £	Slipped to 2019/20 £	RAG Status Scheme on Budget	RAG Status Scheme Progress	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
North East Shropshire																		
NEP - Unallocated	KHP2A		V Doran			-	-	-	-	-	-	-	-			-	-	
NEP - Construction	KHP2B		V Doran			-	-	-	-	-	-	-	-			-	-	
NEP - Reconstruction	KHP2C		V Doran			-	-	-	-	-	-	-	-			-	-	
NEP - Overlay & Inlay	KHP2D		V Doran			-	-	-	-	-	27,519	(27,519)	(27,519)			-	-	
NEP - Resurfacing	KHP2E		V Doran			-	-	-	-	-	16,546	(16,546)	(16,546)			-	-	
NEP - Surface Dressing	KHP2F		V Doran			345,720	-	-	-	345,720	352,721	(7,001)	(7,001)			-	-	
NEP - Remedial Earthworks	KHP2G		V Doran			-	-	-	-	-	-	-	-			-	-	
NEP - Drainage Structures	KHP2H		V Doran			-	-	-	-	-	-	-	-			-	-	
NEP - Kerbs, Footways & Cycle Tracks	KHP2J		V Doran			-	-	-	-	-	2,310	(2,310)	(2,310)			-	-	
NEP - Fences, Walls & Barriers	KHP2K		V Doran			-	-	-	-	-	-	-	-			-	-	
NEP - Programme Management & Fees (Mouchel)	KHP2L		V Doran			-	-	-	-	-	-	-	-			-	-	
NEP - Severe Weather Programme	KHP2M		V Doran			-	-	-	-	-	-	-	-			-	-	
NEP - Disability Adaptations	KHP2N		V Doran			-	-	-	-	-	-	-	-			-	-	
NEP -Special Allocation Projects (S74, S106 Etc)	KHP2P		V Doran			-	-	-	-	-	-	-	-			-	-	
South East Shropshire																		
SEP - Unallocated	KHP4A		G Downes			-	-	-	-	-	-	-	-			-	-	
SEP - Construction	KHP4B		G Downes			-	-	-	-	-	-	-	-			-	-	
SEP - Reconstruction	KHP4C		G Downes			-	-	-	-	-	-	-	-			-	-	
SEP - Overlay & Inlay	KHP4D		G Downes			-	-	-	-	-	-	-	-			-	-	
SEP - Resurfacing	KHP4E		G Downes			-	-	-	-	-	8,924	(8,924)	(8,924)			-	-	
SEP - Surface Dressing	KHP4F		G Downes			90,638	-	-	-	90,638	97,421	(6,783)	(6,783)			-	-	
SEP - Remedial Earthworks	KHP4G		G Downes			-	-	-	-	-	-	-	-			-	-	
SEP - Drainage Structures	KHP4H		G Downes			-	-	-	-	-	-	-	-			-	-	
SEP - Kerbs, Footways & Cycle Tracks	KHP4J		G Downes			-	-	-	-	-	-	-	-			-	-	
SEP - Fences, Walls & Barriers	KHP4K		G Downes			-	-	-	-	-	-	-	-			-	-	
SEP - Programme Management & Fees (Mouchel)	KHP4L		G Downes			-	-	-	-	-	-	-	-			-	-	
SEP - Severe Weather Programme	KHP4M		G Downes			-	-	-	-	-	-	-	-			-	-	
SEP - Disability Adaptations	KHP4N		G Downes			-	-	-	-	-	-	-	-			-	-	
SEP - Special Allocation Projects (S74, S106, Etc)	KHP4P		G Downes			-	-	-	-	-	-	-	-			-	-	
Central Shropshire																		
CP - Unallocated	KHP5A		I Walshaw			-	-	-	-	-	-	-	-			-	-	
CP - Construction	KHP5B		I Walshaw			-	-	-	-	-	-	-	-			-	-	
CP - Reconstruction	KHP5C		I Walshaw			-	-	-	-	-	-	-	-			-	-	
CP - Overlay & Inlay	KHP5D		I Walshaw			-	-	-	-	-	-	-	-			-	-	
CP - Resurfacing	KHP5E		I Walshaw			-	-	-	-	-	337	(337)	(337)			-	-	
CP - Surface Dressing	KHP5F		I Walshaw			20,846	-	-	-	20,846	20,845	1	1			-	-	
CP - Remedial Earthworks	KHP5G		I Walshaw			-	-	-	-	-	61,297	(61,297)	(61,297)			-	-	
CP - Drainage Structures	KHP5H		I Walshaw			140,354	-	-	-	140,354	4,786	135,568	135,568			-	-	
CP - Kerbs, Footways & Cycle Tracks	KHP5J		I Walshaw			-	-	-	-	-	-	-	-			-	-	
CP - Fences, Walls & Barriers	KHP5K		I Walshaw			-	-	-	-	-	-	-	-			-	-	
CP - Programme Management & Fees (Mouchel)	KHP5L		I Walshaw			-	-	-	-	-	-	-	-			-	-	
CP - Severe Weather Programme	KHP5M		I Walshaw			-	-	-	-	-	-	-	-			-	-	
CP - Disability Adaptations	KHP5N		I Walshaw			-	-	-	-	-	-	-	-			-	-	
CP - Special Allocation Projects (S74,S106 Etc)	KHP5P		I Walshaw			-	-	-	-	-	-	-	-			-	-	
South West Shropshire																		
SWP - Unallocated	KHP6A		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWP - Construction	KHP6B		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWP - Reconstruction	KHP6C		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWP - Overlay & Inlay	KHP6D		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWP - Resurfacing	KHP6E		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWP - Surface Dressing	KHP6F		A Keyland			99,631	-	-	-	99,631	109,278	(9,647)	(9,647)			-	-	
SWP - Remedial Earthworks	KHP6G		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWP - Drainage Structures	KHP6H		A Keyland			-	-	-	-	-	(963)	963	963			-	-	
SWP - Kerbs, Footways & Cycle Tracks	KHP6J		A Keyland			-	-	-	-	-	(5,519)	5,519	5,519			-	-	
SWP - Fences, Walls & Barriers	KHP6K		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWP - Programme Management & Fees (Mouchel)	KHP6L		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWP - Severe Weather Programme	KHP6M		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWP - Disability Adaptations	KHP6N		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWP - Special Allocation Projects (S74,S106 Etc)	KHP6P		A Keyland			-	-	-	-	-	-	-	-			-	-	
Structural Maintenance of Principal Roads		Steve Davenport	A Wilde	Ongoing		2,995,095	-	-	-	2,995,095	1,249,758	1,745,337	1,745,337	Green	Green	1,380,000	1,172,000	-

Scheme Description	Code	Portfolio Holder	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19 £	Spend to Budget Variance £	Slipped to 2019/20 £	RAG Status Scheme on Budget	RAG Status Scheme Progress	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
Countywide																		
Depot Fixed Costs - Secondary	K6S01		T Sneddon			998,181	-	-	-	998,181	1,205,164	(206,983)	(206,983)			-	-	
Centrally Managed Ringway Secondary Surfacing Programme	KHSA1		A Wilde			4,488,500	-	-	-	4,488,500	2,373,898	2,114,602	2,114,602			-	-	
B5065 Press Green To Lower House	KHS15		A Wilde			-	-	-	-	-	-	-	-			-	-	
B4364 Neenton	KHS16		A Wilde			-	-	-	-	-	2,425	(2,425)	(2,425)			-	-	
Hufley Lane Major Resurfacing	KHS17		A Wilde			-	-	-	-	-	-	-	-					
B4397 Loppington to Horton	KHS18		A Wilde			-	-	-	-	-	704	(704)	(704)			-	-	
B4499 Leigh Road	KHS19		A Wilde			-	-	-	-	-	15,097	(15,097)	(15,097)			-	-	
B4555 Chelmarsh	KHS20		A Wilde			-	-	-	-	-	21,629	(21,629)	(21,629)					
B4555 Highley	KHS21		A Wilde			-	-	-	-	-	965	(965)	(965)					
B4387 Westbury Level Crossing	KHS22		A Wilde			-	-	-	-	-	14,891	(14,891)	(14,891)					
B5398 Waymills Whitchurch	KHS23		A Wilde			-	-	-	-	-	136,612	(136,612)	(136,612)					
Woodbury Close Bridgnorth (access for parking bays)	KHS24		A Wilde			-	-	-	-	-	14,921	(14,921)	(14,921)					
Black Park Road	KHS25		A Wilde			-	-	-	-	-	224,944	(224,944)	(224,944)					
B4555 Knowlesands	KHS27		A Wilde								308,245	(308,245)	(308,245)					
Countywide Divisional Tender Packages	KHT01		A Wilde			-	-	-	-	-	-	-	-			-	-	
Countywide Patching Schemes Tender Package	KHT02		A Wilde			-	-	-	-	-	166,421	(166,421)	(166,421)			-	-	
Secondary Roads Countywide Drainage	KNS9F		T Sneddon			-	-	-	-	-	99,979	(99,979)	(99,979)			-	-	
North West Shropshire																		
NWS - Unallocated	KHS1A		C Fisher			100,000	-	-	-	100,000	-	100,000	100,000			-	-	
NWS - Construction	KHS1B		C Fisher			-	-	-	-	-	-	-	-			-	-	
NWS - Reconstruction	KHS1C		C Fisher			-	-	-	-	-	-	-	-			-	-	
NWS - Overlay & Inlay	KHS1D		C Fisher			-	-	-	-	-	932	(932)	(932)			-	-	
NWS - Resurfacing	KHS1E		C Fisher			-	-	-	-	-	4,018	(4,018)	(4,018)			-	-	
NWS - Surface Dressing	KHS1F		C Fisher			221,911	-	-	-	221,911	229,357	(7,446)	(7,446)			-	-	
NWS - Remedial Earthworks	KHS1G		C Fisher			-	-	-	-	-	-	-	-			-	-	
NWS - Drainage Structures	KHS1H		C Fisher			-	-	-	-	-	19,327	(19,327)	(19,327)			-	-	
NWS - Kerbs, Footways & Cycle Tracks	KHS1J		C Fisher			-	-	-	-	-	1,295	(1,295)	(1,295)			-	-	
NWS - Fences, Walls & Barriers	KHS1K		C Fisher			-	-	-	-	-	-	-	-			-	-	
NWS - Programme Management & Fees (Mouchel)	KHS1L		C Fisher			-	-	-	-	-	-	-	-			-	-	
NWS - Severe Weather Programme	KHS1M		C Fisher			-	-	-	-	-	-	-	-			-	-	
NWS - Disability Adaptations	KHS1N		C Fisher			-	-	-	-	-	-	-	-			-	-	
NWS - Special Allocation Projects (S74, S106 Etc)	KHS1P		C Fisher			-	-	-	-	-	-	-	-			-	-	
North East Shropshire																		
NES - Unallocated	KHS2A		V Doran			100,000	-	-	-	100,000	-	100,000	100,000			-	-	
NES - Construction	KHS2B		V Doran			-	-	-	-	-	-	-	-			-	-	
NES - Reconstruction	KHS2C		V Doran			-	-	-	-	-	25,971	(25,971)	(25,971)			-	-	
NES - Overlay & Inlay	KHS2D		V Doran			-	-	-	-	-	-	-	-			-	-	
NES - Resurfacing	KHS2E		V Doran			-	-	-	-	-	73,191	(73,191)	(73,191)			-	-	
NES - Surface Dressing	KHS2F		V Doran			62,588	-	-	-	62,588	55,609	6,979	6,979			-	-	
NES - Remedial Earthworks	KHS2G		V Doran			-	-	-	-	-	-	-	-			-	-	
NES - Drainage Structures	KHS2H		V Doran			-	-	-	-	-	940	(940)	(940)			-	-	
NES - Kerbs, Footways & Cycle Tracks	KHS2J		V Doran			-	-	-	-	-	466	(466)	(466)			-	-	
NES - Fences, Walls & Barriers	KHS2K		V Doran			-	-	-	-	-	-	-	-			-	-	
NES - Programme Management & Fees (Mouchel)	KHS2L		V Doran			-	-	-	-	-	-	-	-			-	-	
NES - Severe Weather Programme	KHS2M		V Doran			-	-	-	-	-	-	-	-			-	-	
NES - Disability Adaptations	KHS2N		V Doran			-	-	-	-	-	-	-	-			-	-	
NES -Special Allocation Projects (S74, S106 Etc)	KHS2P		V Doran			-	-	-	-	-	-	-	-			-	-	
South East Shropshire																		
SES - Unallocated	KHS4A		G Downes			100,000	-	-	-	100,000	-	100,000	100,000			-	-	
SES - Construction	KHS4B		G Downes			-	-	-	-	-	-	-	-			-	-	
SES - Reconstruction	KHS4C		G Downes			-	-	-	-	-	-	-	-			-	-	
SES - Overlay & Inlay	KHS4D		G Downes			-	-	-	-	-	128,859	(128,859)	(128,859)			-	-	
SES - Resurfacing	KHS4E		G Downes			-	-	-	-	-	130,592	(130,592)	(130,592)			-	-	
SES - Surface Dressing	KHS4F		G Downes			95,186	-	-	-	95,186	95,951	(765)	(765)			-	-	
SES - Remedial Earthworks	KHS4G		G Downes			-	-	-	-	-	-	-	-			-	-	
SES - Drainage Structures	KHS4H		G Downes			14,280	-	-	-	14,280	17,904	(3,624)	(3,624)			-	-	
SES - Kerbs, Footways & Cycle Tracks	KHS4J		G Downes			-	-	-	-	-	82,089	(82,089)	(82,089)			-	-	
SES - Fences, Walls & Barriers	KHS4K		G Downes			-	-	-	-	-	-	-	-			-	-	
SES - Programme Management & Fees (Mouchel)	KHS4L		G Downes			-	-	-	-	-	-	-	-			-	-	
SES - Severe Weather Programme	KHS4M		G Downes			-	-	-	-	-	-	-	-			-	-	
SES - Disability Adaptations	KHS4N		G Downes			-	-	-	-	-	-	-	-			-	-	
SES - Special Allocation Projects (S74, S106, Etc)	KHS4P		G Downes			-	-	-	-	-	-	-	-			-	-	

Scheme Description	Code	Portfolio Holder	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19 £	Spend to Budget Variance £	Slipped to 2019/20 £	RAG Status Scheme on Budget	RAG Status Scheme Progress	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
Central Shropshire																		
CS - Unallocated	KHS5A		I Walshaw			100,000	-	-	-	100,000	-	100,000	100,000			-	-	
CS - Construction	KHS5B		I Walshaw			-	-	-	-	-	-	-	-			-	-	
CS - Reconstruction	KHS5C		I Walshaw			-	-	-	-	-	-	-	-			-	-	
CS - Overlay & Inlay	KHS5D		I Walshaw			-	-	-	-	-	4,627	(4,627)	(4,627)			-	-	
CS - Resurfacing	KHS5E		I Walshaw			-	-	-	-	-	1,208	(1,208)	(1,208)			-	-	
CS - Surface Dressing	KHS5F		I Walshaw			197,383	-	-	-	197,383	146,213	51,170	51,170			-	-	
CS - Remedial Earthworks	KHS5G		I Walshaw			-	-	-	-	-	6,070	(6,070)	(6,070)			-	-	
CS - Drainage Structures	KHS5H		I Walshaw			-	-	-	-	-	1,978	(1,978)	(1,978)			-	-	
CS - Kerbs, Footways & Cycle Tracks	KHS5J		I Walshaw			-	-	-	-	-	61,677	(61,677)	(61,677)			-	-	
CS - Fences, Walls & Barriers	KHS5K		I Walshaw			-	-	-	-	-	-	-	-			-	-	
CS - Programme Management & Fees (Mouchel)	KHS5L		I Walshaw			-	-	-	-	-	-	-	-			-	-	
CS - Severe Weather Programme	KHS5M		I Walshaw			-	-	-	-	-	1,568	(1,568)	(1,568)			-	-	
CS - Disability Adaptations	KHS5N		I Walshaw			-	-	-	-	-	-	-	-			-	-	
CS - Special Allocation Projects (S74,S106 Etc)	KHS5P		I Walshaw			-	-	-	-	-	18,928	(18,928)	(18,928)			-	-	
South West Shropshire																		
SWS - Unallocated	KHS6A		A Keyland			100,000	-	-	-	100,000	-	100,000	100,000			-	-	
SWS - Construction	KHS6B		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWS - Reconstruction	KHS6C		A Keyland			-	-	-	-	-	2,955	(2,955)	(2,955)			-	-	
SWS - Overlay & Inlay	KHS6D		A Keyland			-	-	-	-	-	2,182	(2,182)	(2,182)			-	-	
SWS - Resurfacing	KHS6E		A Keyland			-	-	-	-	-	76,557	(76,557)	(76,557)			-	-	
SWS - Surface Dressing	KHS6F		A Keyland			158,967	-	-	-	158,967	160,777	(1,810)	(1,810)			-	-	
SWS - Remedial Earthworks	KHS6G		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWS - Drainage Structures	KHS6H		A Keyland			85,715	-	-	-	85,715	7,228	78,487	78,487			-	-	
SWS - Kerbs, Footways & Cycle Tracks	KHS6J		A Keyland			-	-	-	-	-	(2,559)	2,559	2,559			-	-	
SWS - Fences, Walls & Barriers	KHS6K		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWS - Programme Management & Fees (Mouchel)	KHS6L		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWS - Severe Weather Programme	KHS6M		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWS - Disability Adaptations	KHS6N		A Keyland			-	-	-	-	-	-	-	-			-	-	
SWS - Special Allocation Projects (S74,S106 Etc)	KHS6P		A Keyland			-	-	-	-	-	-	-	-			-	-	
Structural Maintenance of Secondary Roads		Steve Davenport	A Wilde	Ongoing		6,822,711	-	-	-	6,822,711	5,941,807	880,904	880,904	Green	Green	-	-	-
Countywide																		
Countywide Roadmaster Programme	KPS9A		I Walshaw	Ongoing		650,000	-	-	-	650,000	272,312	377,688	377,688			-	-	
Countywide Permanent Repair Programme	KPS9B		I Walshaw	Ongoing		1,100,000	-	-	-	1,100,000	1,038,954	61,046	61,046			-	-	
Countywide Machine Patching Programme	KPS9C		I Walshaw	Ongoing		-	-	-	-	-	1,024,401	(1,024,401)	(1,024,401)					
Countywide Autumn Statement Pothole Fund	KPS9D		A Wilde	Ongoing		3,613,000	365,322	-	-	3,978,322	4,172,340	(194,018)	(194,018)			3,000,000		
Shropshire Countywide - Resurfacing Design Budget	KHP00		A Wilde	Ongoing		-	-	-	-	-	174,526	(174,526)	(174,526)			-	-	
Shropshire Countywide- Unallocated Responsive Budget	KSA01		A Wilde	Ongoing		19,983	-	-	-	19,983	-	19,983	19,983			8,275,000	13,275,000	13,275,000
Shropshire Countywide- Road Assessment Surveys	KSA94		A Wilde	Ongoing		-	-	-	-	-	236,098	(236,098)	(236,098)					
Countywide Programme Design & Engineer Fees	KNS9A		A Wilde	Ongoing		300,000	-	-	-	300,000	-	300,000	300,000			-	-	
Countywide Programme Surface Dressing Design & Mgmt Fee	KNS9B		A Wilde	Ongoing		-	-	-	-	-	150,178	(150,178)	(150,178)					
Structural Maintenance of all Roads		Steve Davenport	A Wilde	Ongoing		5,682,983	365,322	-	-	6,048,305	7,068,809	(1,020,504)	(1,020,504)	Green	Green	11,275,000	13,275,000	13,275,000
Total						**15,500,789**	**365,322**	**-**	**-**	**15,866,111**	**14,260,374**	**1,605,737**	**1,605,737**			**12,655,000**	**14,447,000**	**13,275,000**
Street Lighting																		
Programme of structural replacement of lighting columns	K6SL1	Steve Davenport	J Hughes	Ongoing		800,000	(20,000)	-	-	780,000	523,441	256,559	256,559	Green	Green	-	-	
Street Lighting LED Conversions	K6SL2	Steve Davenport	J Hughes	Ongoing		-	-	-	-	-	(1,550)	1,550	1,550	Green	Green	-	-	
Part Night Lighting	K6SL3	Steve Davenport	J Hughes	Ongoing		-	-	-	-	-	(6)	6	6	Green	Green	-	-	
LED Replacement Programme	K6SL4	Steve Davenport	J Hughes	Ongoing		-	20,000	-	-	20,000	18,750	1,250	1,250	Green	Green	-	-	
Total						**800,000**	**-**	**-**	**-**	**800,000**	**540,635**	**259,365**	**259,365**			**-**	**-**	**-**
Local Transport Plan - Integrated Transport Plan																		
Pedestrian & Cycle Facilities																		
Central																		
ITP Central - Minor Footpath Improvements	KST19	Steve Davenport	V Merrill	41,928	41,928	-	-	-	-	-	-	-	-					
ITP Central - Countywide Installation of new Cycle Counters	KTC30	Steve Davenport	V Merrill	-	-	-	-	-	-	-	-	-	-					
ITP Central - Ellesmere Road/Shrewsbury Road Pedestrian Cros	KTC37	Steve Davenport	V Merrill	-	-	-	-	-	-	-	13,087	(13,087)	(13,087)			-		
ITP Central - The Dana Footpath	KTC38	Steve Davenport	V Merrill	-	-	-	-	-	-	-	-	-	-					
North																		
South																		
ITP South - B4373 Wenlock Road & Westgate Crossing	KTC13	Steve Davenport	V Merrill	7,319	3,569	3,750	-	-	-	3,750	350	3,400	3,400			-	-	-
ITP South - B4379 Sherrifhales Pedestrian Improvements	KTC15	Steve Davenport	V Merrill	147,804	145,804	2,000	-	-	-	2,000	6,768	(4,768)	(4,768)			-	-	-
ITP South - A464 Park Street Shifnal Pedestrian Crossing	KTC16	Steve Davenport	V Merrill	72,766	72,766	-	-	-	-	-	4,857	(4,857)	(4,857)			-	-	-
ITP South - B4373 Cross Lane, Cantreyn, Footway	KTC23	Steve Davenport	V Merrill	9,260	9,260	-	-	-	-	-	894	(894)	(894)			-	-	-
ITP South - Salop Road Bridgnorth Pedestrian Crossing (S106)	KTC29	Steve Davenport	V Merrill	85,951	82,201	3,750	-	-	-	3,750	227	3,523	3,523			-	-	-
ITP South - Bromfield Road, Ludlow Pedestrian Crossing	KTC31	Steve Davenport	V Merrill	96,305	96,305	-	-	-	-	-	1	(1)	(1)			-	-	-
ITP South - Sandpits Road, Ludlow Pedestrian Crossing	KTC35	Steve Davenport	V Merrill	-	-	-					5,571	(5,571)	(5,571)			-	-	-
Total						**9,500**	**-**	**-**	**-**	**9,500**	**31,754**	**(22,254)**	**(22,254)**	Green	Green	**-**	**-**	**-**

Scheme Description	Code	Portfolio Holder	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19 £	Spend to Budget Variance £	Slipped to 2019/20 £	RAG Status Scheme on Budget	RAG Status Scheme Progress	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
Signal Enhancements																		
Countywide																		
Central																		
ITP Central - Shelton Road/Welshpool Road Singals	KTS15	Steve Davenport	V Merrill	-		-					12,997	(12,997)	(12,997)			-		
North													-					
ITP North - A495 Willow Street Ellesmere Pedestrian Crossing	KTS10	Steve Davenport	V Merrill	26,755	8,565	18,190	-	-	-	18,190	19,421	(1,231)	(1,231)			-	-	
ITP North - Alexandra Road Market Drayton	KTS17	Steve Davenport	V Merrill	16,817	609	16,208	-	-	-	16,208	16,038	170	170			-	-	
ITP North - Brownlow Street/ St John Street Whitchurch	KTS18	Steve Davenport	V Merrill	24,505	4,120	20,385	-	-	-	20,385	21,616	(1,231)	(1,231)			-	-	
ITP North - Brownlow Street/Deermoss Lane Whitchurch	KTS19	Steve Davenport	V Merrill	25,975	3,859	22,116	-	-	-	22,116	23,347	(1,231)	(1,231)			-	-	
South													-					
ITP South - A442 Hospital Steet, Bridgnorth - Pedestrian Crossi	KTS11	Steve Davenport	V Merrill	67,200	45,003	22,197	-	-	-	22,197	23,428	(1,231)	(1,231)			-	-	
ITP South - Stourbridge Road, Bridgnorth Signal Enhancement	KTS25	Steve Davenport	V Merrill	8,000	-	8,000	-	-	-	8,000	8,283	(283)	(283)			-	-	
Total						**107,096**	**-**	**-**	**-**	**107,096**	**125,130**	**(18,034)**	**(18,034)**	Green	Green	**-**	**-**	**-**
Safety/Speed Reductions																		
Countywide																		
Central													-					
ITP Central - Featherbed Lane Shres, Traffic Management	KTR32	Steve Davenport	V Merrill	127,263	127,263	-	-	-	-	-	(52)	52	52			-	-	
ITP Central - Coleham School Safety Scheme	KTR33	Steve Davenport	V Merrill	81,582	81,582	-	-	-	-	-	31	(31)	(31)			-	-	
ITP Central - Priory & Meole Brace Schools Safety Scheme	KTR35	Steve Davenport	V Merrill	112,750	112,750	-	-	-	-	-	(34)	34	34			-	-	
ITP Central - B5062 Sundorne Road	KTR43	Steve Davenport	V Merrill	-	-		-	-	-	-	2,489	(2,489)	(2,489)			-	-	
North																		
ITP North - B4396 Knockin Speed Reduction	KTR09	Steve Davenport	V Merrill	-		-	-	-	-	-	40	(40)	(40)			-	-	
ITP North - Chirk Rod Gobowen Spped Reduction	KTR11	Steve Davenport	V Merrill	-		-	-	-	-	-	956	(956)	(956)			-	-	
ITP North - A41 Sandford Speed Reduction	KTR57	Steve Davenport	V Merrill	-	-						2,347	(2,347)	(2,347)			-	-	
ITP North - Ash Parva 30mph Speed Reduction	KTR66	Steve Davenport	V Merrill	5,000	-	5,000	-	-	-	5,000	-	5,000	5,000			-	-	
ITP North - St Martins Roundabout	KTR67	Steve Davenport	V Merrill	-	-	-	-	-	-	-	-	-	-			-	-	
ITP North - Morda Bank Speed Visors	KTR68	Steve Davenport	V Merrill	5,600	-	5,600	-	-	-	5,600	5,110	490	490			-	-	
South																		
ITP South - Hope Valley Speed Reduction	KTR22	Steve Davenport	V Merrill	43,795	43,795	-	-	-	-	-	2,038	(2,038)	(2,038)			-	-	
ITP South - A41 Stanton Road Junction Improvement Tong	KTR30	Steve Davenport	V Merrill	243,726	45,726	198,000	-	-	-	198,000	40,733	157,267	157,267			-	-	
ITP South - Coalport Road Traffic Management, Broseley	KTR31	Steve Davenport	V Merrill	100,910	100,910	-	-	-	-	-	(11)	11	11			-	-	
ITP South - B4373 Bridgnorth Rd Speed Reduction, Broseley	KTR38	Steve Davenport	V Merrill	120,356	117,756	2,600	-	-	-	2,600	335	2,265	2,265			-	-	
ITP South - A488 Hanwood Village	KTR46	Steve Davenport	V Merrill	-	-	-	-	-	-	-	2,754	(2,754)	(2,754)			-	-	
ITP South - Lackstone Farm Cattle Crossing	KTR52	Steve Davenport	V Merrill	-	-	-	-	-	-	-	16,154	(16,154)	(16,154)			-	-	
ITP South - Much Wenlock, Barrow & Broseley HGV Mgmt	KTR53	Steve Davenport	V Merrill	139,037	27,704	111,333	-	-	-	111,333	109,554	1,779	1,779			-	-	
ITP South - Pipegates to Woore Speed Limit	KTR54	Steve Davenport	V Merrill	-	-		-	-	-	-	7,982	(7,982)	(7,982)			-	-	
ITP South - B4176 Royal Oak Speed Mgmt	KTR58	Steve Davenport	V Merrill	75,885	20,885	55,000	-	-	-	55,000	1,415	53,585	53,585			-	-	
ITP South - Tenbury Road Cleobury Mortimer Jct	KTR64	Steve Davenport	V Merrill	-	-		-	-	-	-	51,497	(51,497)	(51,497)			-	-	
ITP South - Coppice Green Lane (Idsall School) Road Widening	KTR65	Steve Davenport	V Merrill	479,178	479,178	-					(39,413)	39,413	39,413			-	-	
Total						**377,533**	**-**	**-**	**-**	**377,533**	**203,925**	**173,608**	**173,608**	Green	Green	**-**	**-**	**-**
Traffic Management																		
Central																		
South																		
ITP South - A464 Upton Crossroads Shifnal	KTM09	Steve Davenport	V Merrill	284,010	29,936	254,074	-	-	-	254,074	261,633	(7,559)	(7,559)			-	-	
Total						**254,074**	**-**	**-**	**-**	**254,074**	**261,633**	**(7,559)**	**(7,559)**	Green	Green	**-**	**-**	**-**
Parking Infrastructure																		
South						-												
Total						**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	Green	Green	**-**	**-**	**-**
Accident Clusters																		
Countywide Accident Cluster Sites	KTA00	Steve Davenport	V Merrill	44,562	324	44,238	-	-	-	44,238	-	44,238	44,238					
ITP South - A5 Crackley Bank - Marsh Lane Jctn	KTA01	Steve Davenport	V Merrill	167,734	27,734	140,000	-	-	-	140,000	1,685	138,315	138,315					
ITP Central - Heathgates Rbout	KTA02	Steve Davenport	V Merrill	23,326	3,326	20,000	-	-	-	20,000	14,401	5,599	5,599					
ITP South - A442 Worfe Bridge	KTA03	Steve Davenport	V Merrill	6,500	-	6,500	-	-	-	6,500	-	6,500	6,500					
ITP Central - Column Roundabout	KTA06	Steve Davenport	V Merrill	28,606	15,106	13,500	-	-	-	13,500	216	13,284	13,284					
ITP Central - Smithfield Road	KTA07	Steve Davenport	V Merrill	22,587	10,387	12,200	-	-	-	12,200	27,800	(15,600)	(15,600)					
ITP Central - Huffley Lane	KTA09	Steve Davenport	V Merrill	20,000	-	20,000	-	-	-	20,000	18,545	1,455	1,455					
ITP South - A41 Tong	KTA10	Steve Davenport	V Merrill	7,726	2,026	5,700	-	-	-	5,700	682	5,018	5,018					
ITP North - A525 Woore	KTA11	Steve Davenport	V Merrill	5,126	2,026	3,100	-	-	-	3,100	4,024	(924)	(924)					
ITP Central - A5112 Telford Way	KTA12	Steve Davenport	V Merrill	7,726	2,026	5,700	-	-	-	5,700	697	5,003	5,003					
ITP Central - Ditherington Road	KTA13	Steve Davenport	V Merrill	5,126	2,026	3,100	-	-	-	3,100	3,758	(658)	(658)					
ITP South - A442 Brockton, Sutton Maddock	KTA14	Steve Davenport	V Merrill	7,726	2,026	5,700	-	-	-	5,700	13,219	(7,519)	(7,519)					
ITP South - Shrewsbury Road, Much Wenlock	KTA15	Steve Davenport	V Merrill	5,127	2,027	3,100	-	-	-	3,100	5,127	(2,027)	(2,027)					
ITP South - A442 Cann Hall Road	KTA16	Steve Davenport	V Merrill	4,627	2,027	2,600	-	-	-	2,600	-	2,600	2,600					
ITP South - A458 Wootton Crossroads	KTA17	Steve Davenport	V Merrill	10,327	2,027	8,300	-	-	-	8,300	4,045	4,255	4,255					
ITP South - B4363 Wolverhampton Road, Bridgnorth	KTA18	Steve Davenport	V Merrill	10,327	2,027	8,300	-	-	-	8,300	3,950	4,350	4,350					
ITP Central - Woodcote Way	KTA19	Steve Davenport	V Merrill	-	-	-	-	-	-	-	2,530	(2,530)	(2,530)					
ITP South - A454 Rudge Heath Accident Reduction	KTA20	Steve Davenport	V Merrill	-	-	-	-	-	-	-	6,100	(6,100)	(6,100)					
ITP North - Maesbury Road Junction, Oswestry	KTA21	Steve Davenport	V Merrill	-	-	-	-	-	-	-	4,097	(4,097)	(4,097)					
ITP South - A41/B4379 Shifnal Road Junction	KTA22	Steve Davenport	V Merrill	-	-	-	-	-	-	-	564	(564)	(564)					
Total						**302,038**	**-**	**-**	**-**	**302,038**	**111,440**	**190,598**	**190,598**	Green	Green	**-**	**-**	**-**
Network Improvements																		
Countywide																		
ITP Countywide - Bus Shelters	KTN02	Steve Davenport	V Merrill	43,079	43,079	-	-	-	-	-	(1,222)	1,222	1,222			-	-	
South																		
ITP South - Shifnal Network Improvement (S106)	KTN03	Steve Davenport	V Merrill	189,807	155,743	-	-	34,064	-	34,064	34,064	0	0			-	-	
ITP South - Shifnal Bradford Street Enhancement	KTN05	Steve Davenport	V Merrill	264,397	142,075	-	-	122,322	-	122,322	122,322	(0)	(0)					
Total						**-**	**-**	**156,386**	**-**	**156,386**	**155,163**	**1,223**	**1,223**	Green	Green	**-**	**-**	**-**

Scheme Description	Code	Portfolio Holder	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19 £	Spend to Budget Variance £	Slipped to 2019/20 £	RAG Status Scheme on Budget	RAG Status Scheme Progress	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
Integrated Transport Unallocated																		
Countywide																		
ITP Countywide - Unallocated	KT000	Steve Davenport	V Merrill	Ongoing		-	-	-	-	-	-	-	-			1,126,000	1,442,761	1,626,000
Total						-	-	-	-	-	-	-	-	Green	Green	**1,126,000**	**1,442,761**	**1,626,000**
Total Integrated Transport Plan						**1,050,241**	**-**	**156,386**	**-**	**1,206,627**	**889,045**	**317,582**	**317,582**			**1,126,000**	**1,442,761**	**1,626,000**
Total Highways & Transport - LTP						**18,398,030**	**365,322**	**156,386**	**-**	**18,919,738**	**16,644,424**	**2,275,314**	**2,275,314**			**13,781,000**	**15,889,761**	**14,901,000**
LEP Schemes																		
LEP Oxon Relief Road Project	KOX01	Steve Davenport	M Johnson	4,350,475	1,560,941	1,281,607	-	-	-	1,281,607	1,184,321	97,286	97,286	Green	Green	1,507,927	-	
LEPSITP - Project Management/Design	KIT01	Steve Davenport	M Johnson	9,528,224	5,921,079	2,944,827	(400,000)	-	-	2,544,827	1,548,816	996,011	996,011	Green	Green	879,079	183,239	-
Total						**4,226,434**	**(400,000)**	**-**	**-**	**3,826,434**	**2,733,138**	**1,093,296**	**1,093,296**			**2,387,006**	**183,239**	**-**
Flood Defences & Water Management																		
Much Wenlock - Flood & Water Management	K6FW1	Steve Davenport	T Sneddon	2,452,016	2,436,016	16,000	-	-	-	16,000	12,223	3,777	3,777	Green	Green	-	-	
Craven Arms - Flood & Water Management	K6FW2	Steve Davenport	T Sneddon	70,000	43,951	26,049	-	-	-	26,049	-	26,049	26,049	Green	Green	-	-	
Church Stretton - Flood & Water Management	K6FW3	Steve Davenport	T Sneddon	500,000	-	55,000	-	-	-	55,000	12,349	42,651	42,651	Green	Green	70,000	375,000	
Shifnal - Flood & Water Management	K6FW4	Steve Davenport	T Sneddon	577,000	73,770	53,230	-	-	-	53,230	16,313	36,917	36,917	Green	Green	450,000	-	
Oswestry - Flood & Water Management	K6FW5	Steve Davenport	T Sneddon	91,640	85,648	5,992	-	-	-	5,992	-	5,992	5,992	Green	Green	-	-	
Shrewsbury - Flood & Water Management	K6FW6	Steve Davenport	T Sneddon	158,262	125,400	32,862	-	-	-	32,862	-	32,862	32,862	Green	Green	-	-	
The Grove, Minsterley IPP Scheme	K6FW8	Steve Davenport	T Sneddon	66,000	61,008	4,992	-	-	-	4,992	-	4,992	4,992	Green	Green	-	-	
Shropshire IPP Scheme Phase 1	K6FWA	Steve Davenport	T Sneddon	187,585	129,335	58,250	-	-	-	58,250	-	58,250	58,250	Green	Green	-	-	
Shropshire Slow the Flow Project	KEF01	Steve Davenport	T Sneddon	796,000	179,795	240,205	-	-	-	240,205	158,197	82,008	82,008	Green	Green	185,000	191,000	
Westbury - Surface Water Flood Alleviation Scheme	KEF02	Steve Davenport	T Sneddon	58,000	-	58,000	-	-	-	58,000	15	57,985	57,985	Green	Green	-	-	
Wesley Brook, Shifnal - Flood Alleviation Scheme	KEF03	Steve Davenport	T Sneddon	-	-	-	-	-	-	-	-	-	-	Green	Green	-	-	
Westwood Quarry - Shropshire Wildlife Trust ERDF Project	KEF04	Steve Davenport	T Sneddon	22,151	22,151	-	-	-	-	-	-	-	-	Green	Green	-		
Hopstone Flood Alleviation Scheme	KEF05	Steve Davenport	T Sneddon	18,000	5,042	12,958	-	-	-	12,958	13,177	(219)	(219)	Green	Green			
Hunters Gate Surface Water Flood Alleviation	KEF06	Steve Davenport	T Sneddon	10,000	-	10,000	-	-	-	10,000	-	10,000	10,000	Green	Green	-	-	
Bomere Heath - Flood & Water Management	KEF07	Steve Davenport	T Sneddon	10,000	-	10,000	-	-	-	10,000	-	10,000	10,000	Green	Green			
Longden - Flood & Water Management	KEF08	Steve Davenport	T Sneddon	12,500	-	12,500	-	-	-	12,500	-	12,500	12,500	Green	Green			
Worthen - Flood & Water Management	KEF09	Steve Davenport	T Sneddon	11,000	-	11,000	-	-	-	11,000	-	11,000	11,000	Green	Green			
Total						**607,038**	**-**	**-**	**-**	**607,038**	**212,274**	**394,764**	**394,764**			**705,000**	**566,000**	**-**
Environmental Maintenance - Depots																		
Depot Redevelopment - Unallocated	K6H03	Steve Davenport	S Brown	193,913	100,457	-	-	-	-	-	-	-	-	Green	Green	93,456	-	
Depot Redevelopment - Park Hall	K6H02	Steve Davenport	S Brown	14,388	14,388	-	-	-	-	-	-	-	-	Green	Green	-	-	
Depot Redevelopment - Longden Road	K6H04	Steve Davenport	S Brown	-	-	-	-	-	-	-	-	-	-	Green	Green	-	-	
Depot Redevelopment - Hodnet	K6H06	Steve Davenport	S Brown	128,896	128,896	-	-	-	-	-	-	-	-	Green	Green	-	-	
Depot Redevelopment - Craven Arms	K6H08	Steve Davenport	S Brown	1,048,082	1,048,082	-	-	-	-	-	-	-	-	Green	Green	-	-	
Depot Redevelopment - Stourbridge Road, Bridgnorth	K6H09	Steve Davenport	S Brown	200,771	200,771	-	-	-	-	-	-	-	-	Green	Green	-	-	
Depot Redevelopment - Stourbridge Road Bridgnorth - Salt Dome	K6H10	Steve Davenport	S Brown	100,000	-	-	-	-	-	-	-	-	-	Green	Green	100,000	-	
Depot Redevelopment - Manor House Lane Store	K6H11	Steve Davenport	S Brown	50,000	-	-	-	-	-	-	-	-	-	Green	Green	50,000	-	
Depot Redevelopment - Ice Station Replacement	K6H12	Steve Davenport	S Brown	64,115	64,115	-	-	-	-	-	-	-	-	Green	Green	-	-	
Total						**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**			**243,456**	**-**	**-**
Highways England Electric Vehicle Charging Points																		
Rapid Electric Vehicle Charge Points	KEP01	Steve Davenport	J Hughes	16,500	-	16,500	-	-	-	16,500	16,500	-	-	Green	Green			
						16,500	**-**	**-**	**-**	**16,500**	**16,500**	**-**	**-**					
Environmental Maintenance - Car Parks Major Works																		
Talbot Street Car Park, Cleobury Mortimer	KEC01	Steve Davenport	Z Mortimer	-	-	-	-	-	-	-	-	-	-	Red	Red	-		
Easthope Car Park No3, Church Stretton	KEC02	Steve Davenport	Z Mortimer	-	-	-	-	-	-	-	-	-	-	Red	Red	-		
Parking Stratgey - Car Park Machines	KEC03	Steve Davenport	Z Mortimer	917,000	-	665,000	-	-	-	665,000	588,497	76,503	76,503	Green	Green	252,000		
Ravensmeadow Car Park - Emergency Safety Works	KEC04	Steve Davenport	Z Mortimer	34,678	-	-	34,678	-	-	34,678	34,678	-	-	Green	Green			
Total						**665,000**	**34,678**	**-**	**-**	**699,678**	**623,175**	**76,503**	**76,503**			**252,000**	**-**	**-**
Visitor Economy																		
Museums																		
Music Hall Refurbishment	K5HA9	Lezley Picton	S Law	10,133,144	10,107,494	25,650	-	-	-	25,650	1,440	24,210	24,210	Green	Green	-	-	
Shrewsbury Museum Projection Equipment	KBM02	Lezley Picton	E-K Lanyon	6,532	-	6,532	-	-	-	6,532	-	6,532	6,532	Green	Green			
Heritage Assets Acquisition	K5HAA	Lezley Picton	E-K Lanyon	-	-	-	-	-	-	-	-	-	-	Green	Green	-	-	
Venues & Programmes													-					
Ludlow Assembly Rooms - Refurbishment Works	KBT00	Lezley Picton	S Law	1,937,052	-	1,837,052	-	-	-	1,837,052	369,101	1,467,951	1,467,951	Green	Green	100,000		
Theatre Severn - Major Maintenance Improvement Works	KBT01	Lezley Picton	S Law	116,459	62,871	53,333	255	-	-	53,588	53,588	(0)	(0)	Green		-	-	
Total						**1,922,567**	**255**	**-**	**-**	**1,922,822**	**424,129**	**1,498,693**	**1,498,693**			**100,000**	**-**	**-**
Outdoor Partnerships																		
Project Onion - Craven Arms	K5BC4	Lezley Picton	M Blount	5,894		5,894	-	-	-	5,894	5,894	0	0	Green	Green			
Snailbeach Lead Mine Higher Level Stewardship	K5T53	Lezley Picton	C Dean	197,761	196,368	1,393	-	-	-	1,393	-	1,393	1,393	Green	Green	-	-	
Nesscliffe - Higher Level Stewardship	K5T55	Lezley Picton	C Dean	25,471	15,768	9,703	-	-	-	9,703	9,020	683	683	Green	Green	-	-	
Broseley BMX & Outdoor Gym (S106)	KBR06	Lezley Picton	S McCarthy	40,000	35,951	4,049	-	-	-	4,049	1,625	2,424	2,424	Green	Green	-	-	
Shelton Recreation Ground Pavilion (S106)	KBR07	Lezley Picton	M Blount	2,746	503	8,490	(6,247)	-	-	2,243	2,243	0	0	Green	Green	-	-	
Nags Head Engine House	KBR08	Lezley Picton	J Howells	111,671	109,295	2,376	-	-	-	2,376	2,376	(0)	(0)	Green	Green	-	-	
Severn Valley Country Park Vistor Centre Improvements	KBR09	Lezley Picton	M Blount	48,324	48,324	1,421	(1,421)	-	-	-	-	-	-	Green	Green	-	-	
Whitchurch Skate Park (S106)	KBR10	Lezley Picton	S McCarthy	84,398	3,876	78,573	-	-	-	78,573	78,030	543	543	Green	Green	1,949	-	
Severn valley Country Park RPA Extension	KBR11	Lezley Picton	M Blount	454,608	5,166	359,224	7,668	-	-	366,892	78,123	288,769	288,769	Green	Green	82,550	-	
The Mere Ellesmere - S106 Public Realm Improvements	KBR12	Lezley Picton	S Burkey	6,880	4,280	2,600	-	-	-	2,600	2,600	-	-	Green	Green	-	-	
Severn valley Country Park Ice Cream Kiosk	KBR13	Lezley Picton	M Blount	31,118	-	31,000	-	118	-	31,118	31,118	0	0	Green	Green		-	
Total						**504,723**	**-**	**118**	**-**	**504,841**	**211,029**	**293,812**	**293,812**			**84,499**	**-**	**-**
Total Infrastructure & Communities						**26,426,876**	**255**	**156,504**	**-**	**26,583,635**	**20,871,295**	**5,712,340**	**5,712,340**			**18,227,961**	**16,639,000**	**14,901,000**

Scheme Description	Code	Portfolio Holder	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19 £	Spend to Budget Variance £	Slipped to 2019/20 £	RAG Status Scheme on Budget	RAG Status Scheme Progress	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
Economic Development																		
Physical Regeneration																		
Food Enterprise Centre - Construction (Battlefield)	KER38	Steve Charmley	G Davies	6,634,871	6,634,871	-	-	-	-	-	-	-	-	Green	Green	-	-	
Market Drayton Business Grant Scheme	KBE05	Steve Charmley	G Davies	65,251		-	-	65,251	-	65,251	65,251	0	0	Green	Green			
Growth Point																		
Flaxmill Project - Implementation	K6FM1	Steve Charmley	G Davies	1,000,000	-	-	-	-	-	-	-	-	-	Green	Green	1,000,000	-	
Shrewsbury Vision - New Riverside Development	K6HR1	Steve Charmley	G Davies	298,265	217,034	81,231	-	-	-	81,231	52,793	28,438	28,438	Green	Green	-	-	
Oswestry HIF Fund	K6HR2	Steve Charmley	G Davies	449,546	-	-	-	449,546	-	449,546	449,546	0	0	Green	Green			
Total						**81,231**	**-**	**514,797**	**-**	**596,028**	**567,589**	**28,439**	**28,439**			**1,000,000**	**-**	**-**
Natural & Historical Environment																		
Historic Environment Grants	K6HE1	Robert Macey	A Cooper	Ongoing	-	33,682	-	-	-	33,682	-	33,682	33,682	Green	Green	-	-	
S106 Project Grants	KBN00	Robert Macey	A Cooper	Ongoing	-	1,132	-	25,650	-	26,782	26,782	-	-	Green	Green	-	-	
Old Rectory, Whitchurch Section 106	KBN01	Robert Macey	A Cooper	250,000	44,075	55,925	-	-	11,639	67,564	67,564	(0)	(0)	Green	Green	138,361	-	
Total						**90,739**	**-**	**25,650**	**11,639**	**128,028**	**94,346**	**33,682**	**33,682**			**138,361**	**-**	**-**
Planning Policy - Affordable Housing																		
Affordable Housing - Rolling Fund	K6AHG	Robert Macey	N wood	Ongoing	-	20,346	-	-	-	20,346	-	20,346	20,346	Green	Green	180,000	-	
Shrewsbury Self Build Scheme	K6AHT	Robert Macey	N wood	300,000	33,102	266,898	-	-	-	266,898	21,048	245,850	245,850	Green	Green	-	-	
Community Housing Grant - Much Wenlock Scheme	KBH02	Robert Macey	N wood	156,000	-	156,000	-	-	-	156,000	156,000	-	-	Green	Green	-		
Communinity Housing Grant - Wem Independent Living Scheme	KBH03	Robert Macey	N wood	52,000	-	52,000	-	-	-	52,000	-	52,000	52,000	Green	Green	-		
Community Housing Grant - Site Acquisition Fund	KBH04	Robert Macey	N wood	309,296	-	309,296	-	-	-	309,296	-	309,296	309,296	Green	Green	-		
Community Led Affordable Housing Grant Scheme	K6AHV	Robert Macey	N wood	2,236,000	2,210,000	26,000	-	-	-	26,000	-	26,000	26,000	Green	Green	-	-	
Affordable Housing Contributions Grant Scheme (S106)	K6AHW	Robert Macey	N wood	2,256,542	892,542	1,364,000	-	-	-	1,364,000	1,272,000	92,000	92,000	Green	Green	-	-	
Total						**2,194,540**	**-**	**-**	**-**	**2,194,540**	**1,449,048**	**745,492**	**745,492**			**180,000**	**-**	**-**
Community Infrastructure Levy																		
CIL Project Grants	KBC01	Robert Macey	A Cooper	Ongoing		45,000	-	-	-	45,000	45,000	-	-	Green	Green	-	-	
Total						**45,000**	**-**	**-**	**-**	**45,000**	**45,000**	**-**	**-**			**-**	**-**	
Broadband																		
Broadband Project - Phase 1 - BT	KB000	Elliot Lynch	C Taylor	17,468,421	14,435,563	58,692	(35,515)	-	-	23,177	-	23,177	23,177	Green	Green	3,009,681	-	
Broadband Project - Phase 1 Milestone 1	KB001	Elliot Lynch	C Taylor	7,527,852	7,527,852	-	-	-	-	-	-	-	-	Green	Green	-	-	
Broadband Project - Phase 1 Milestone 2	KB002	Elliot Lynch	C Taylor	6,000,234	6,000,234	-	-	-	-	-	-	-	-	Green	Green	-	-	
Broadband Project - Phase 1 Milestone 3	KB003	Elliot Lynch	C Taylor	-	-	-	-	-	-	-	-	-	-	Green	Green	-	-	
Broadband Project - Phase 2 - BT	KB004	Elliot Lynch	C Taylor	4,730,951	1,280,257	2,444,952	-	-	-	2,444,952	2,607,005	(162,053)	(162,053)	Green	Green	1,005,742	-	
Broadband Project - Phase 2 - Milestone 1	KB005	Elliot Lynch	C Taylor	118,083	118,083	-	-	-	-	-	-	-	-	Green	Green	-	-	
Broadband Project - Phase 2 - Milestone 2	KB006	Elliot Lynch	C Taylor	442,084	442,084	-	-	-	-	-	-	-	-	Green	Green	-	-	
Broadband Project - Phase 2 - Milestone 3	KB007	Elliot Lynch	C Taylor	-	-	-	-	-	-	-	-	-	-	Green	Green	-	-	
Broadband Project - Phase 3 - Airband	KB008	Elliot Lynch	C Taylor	9,820,000	762,000	1,800,000	-	-	-	1,800,000	1,958,000	(158,000)	(158,000)	Green	Green	6,758,000	500,000	-
Broadband Project - Phase 4 - ERDF Match	KB009	Elliot Lynch	C Taylor	35,515	-	-	35,515	-	-	35,515	35,515	(0)	(0)	Green	Green	-	-	-
Broadband Project - Phase 5 - TBC	KB010	Elliot Lynch	C Taylor	1,856,791	-	-	-	-	-	-	-	-	-	Green	Green	1,856,791	-	-
Total						**4,303,644**	**-**	**-**	**-**	**4,303,644**	**4,600,520**	**(296,876)**	**(296,876)**			**12,630,214**	**500,000**	**-**
Total Economic Development						**6,715,154**	**-**	**540,447**	**11,639**	**7,267,240**	**6,756,503**	**510,737**	**510,737**			**13,948,575**	**500,000**	**-**

Scheme Description	Code	Portfolio Holder	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19 £	Spend to Budget Variance £	Slipped to 2019/20 £	RAG Status Scheme on Budget	RAG Status Scheme Progress	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
Business Enterprise & Commercial Services																		
Strategic Asset Services																		
Corporate Landlord																		
Corporate Landlord Unallocated	KRP00	Steve Charmley	S Law			31,139	7,294	-	-	38,433	-	38,433	38,433	Green	Green	1,000,000		
18/19 Shopltach - toilet facilities	KRP04	Steve Charmley	S Law	34,844	34,844	1,156	(1,156)	-	-	-	-	-	-	Green	Green	-	-	
Ellesmere Remediation - Land Release Funds	KRP05	Steve Charmley	S Law	544,507	-	544,507	-	-	-	544,507	43,912	500,595	500,595	Green	Green	-		
The Tannery Development	KRP06	Steve Charmley	S Law	9,020,000	1,368,953	5,651,047	-	-	-	5,651,047	3,308,891	2,342,156	2,342,156	Green	Green	2,000,000	-	
Shirehall - Renovation	KRP08	Steve Charmley	S Law	346,846	-	340,000	6,846	-	-	346,846	346,846	(0)	(0)	Green	Green	-	-	
Acton Scott Fire Alarm	KRP09	Steve Charmley	S Law	34,524	-	38,273	(3,749)	-	-	34,524	34,524	0	0	Green	Green	-		
Aquamira Fire Safety Works	KRP10	Steve Charmley	S Law	6,195	-	8,330	(2,135)	-	-	6,195	6,195	(0)	(0)	Green	Green	-		
Market Drayton Swimming Pool Boiler	KRP11	Steve Charmley	S Law	119,000	-	50,516	68,484	-	-	119,000	6,068	112,932	112,932	Green	Green	-		
Market Drayton Swimming Pool Filters	KRP12	Steve Charmley	S Law	32,386	-	33,129	(743)	-	-	32,386	32,386	(0)	(0)	Green	Green	-		
Old Market Hall Lighting System	KRP13	Steve Charmley	S Law	36,170	-	36,170	-	-	-	36,170	26,336	9,834	9,834	Green	Green	-		
Oswestry Castleview Lighting	KRP14	Steve Charmley	S Law	7,003	-	7,171	(168)	-	-	7,003	7,003	(0)	(0)	Green	Green	-		
Richmond House Boiler	KRP15	Steve Charmley	S Law	-	-	-	-	-	-	-	-	-	-	Green	Green	-		
Shrewsbury Castle Major Repair Work	KRP16	Steve Charmley	S Law	59,500	-	59,500	-	-	-	59,500	3,718	55,782	55,782	Green	Green	-		
Shrewsbury Market Hall Ventilation System	KRP17	Steve Charmley	S Law	17,850	-	17,850	-	-	-	17,850	-	17,850	17,850	Green	Green	-		
Shrewsbury Market Hall Fire Doors	KRP18	Steve Charmley	S Law	71,400	-	71,400	-	-	-	71,400	-	71,400	71,400	Green	Green	-		
Shrewsbury Market Hall Lighting	KRP19	Steve Charmley	S Law	1,523	-	2,975	(1,452)	-	-	1,523	1,523	0	0	Green	Green	-		
Shrewsbury Market Hall Safety Railing	KRP20	Steve Charmley	S Law	38,179	-	41,650	(3,471)	-	-	38,179	27,776	10,403	10,403	Green	Green	-		
Wem Town Hall Boiler	KRP22	Steve Charmley	S Law	75,182	-	75,182	-	-	-	75,182	75,182	(0)	(0)	Green	Green	-	-	
Whitchurch Swimming Pool Boiler Replacement	KRP23	Steve Charmley	S Law	98,911	-	77,350	21,561	-	-	98,911	240	98,671	98,671	Green	Green	-		
Aquamira Boiler Replacement	KRP24	Steve Charmley	S Law	33,965	-	41,650	(7,685)	-	-	33,965	25,267	8,698	8,698	Green	Green	-		
Aspire Centre Boiler Replacement	KRP25	Steve Charmley	S Law	-	-	-	-	-	-	-	-	-	-	Green	Green	-		
Hive Replacement Boiler	KRP26	Steve Charmley	S Law	9,499	-	9,499	-	-	-	9,499	9,499	(0)	(0)	Green	Green	-		
Ludlow Leisure Centre Sports Hall Floor Replacement	KRP27	Steve Charmley	S Law	119,964	-	123,663	(3,699)	-	-	119,964	119,964	0	0	Green	Green	-		
Market Hall - SEPuBu Solar PV's & LED	KRP28	Steve Charmley	S Law	43,504	-	35,700	(35,700)	43,504	-	43,504	43,504	(0)	(0)	Green	Green	-		
Oswestry Victoria Centre Boiler Replacement	KRP29	Steve Charmley	S Law	335	-	41,650	(41,315)	-	-	335	335	-	-	Green	Green	-		
Hive Replacement Air Conditioner	KRP30	Steve Charmley	S Law	6,929	-	6,929	-	-	-	6,929	6,929	(0)	(0)	Green	Green	-		
Old Muisc Hall Air Conditioning	KRP31	Steve Charmley	S Law	-	-	-	-	-	-	-	-	-	-	Green	Green	-		
Ludlow Assembly Rooms Roof Works	KRP32	Steve Charmley	S Law	-	-	-	-	-	-	-	-	-	-	Green	Green	-		
Theatre Severn Fire Escape Staircase	KRP33	Steve Charmley	S Law	59,118	-	59,786	(668)	-	-	59,118	51,777	7,341	7,341	Green	Green	-		
Old Muisc Hall Grease Catchment System	KRP34	Steve Charmley	S Law	4,050	-	17,850	(13,800)	-	-	4,050	4,050	0	0	Green	Green	-		
Gateway Boiler Replacement	KRP35	Steve Charmley	S Law	87,926	-	95,267	(7,341)	-	-	87,926	84,655	3,271	3,271	Green	Green	-		
Shrewsbury Market Hall Electrics Upgrade	KRP36	Steve Charmley	S Law	115,430	-	115,430	-	-	-	115,430	-	115,430	115,430	Green	Green	-		
Stanley Lane Storm Damage	KRP37	Steve Charmley	S Law	5,034	-	4,424	610	-	-	5,034	5,034	0	0	Green	Green	-		
Shirehall - Fire Safety Improvement	KRP38	Steve Charmley	S Law	77,206	-	76,157	1,049	-	-	77,206	77,206	(0)	(0)	Green	Green	-		
Shirehall Installation of Car Park Security Barriers	KRP39	Steve Charmley	S Law	-	-	-	12,274	-	-	12,274	12,274	-	-	Green	Green	-		
Whitchurch Medical Practice	KRP40	Steve Charmley	S Law	3,778,000	-	-	-	-	-	-	-	-	-	Green	Green	2,000,000	1,678,000	100,000
Roman Road Sports Centre - Shower Refurbishment	KRP41	Steve Charmley	S Law	4,709	-	-	4,709	-	-	4,709	4,709	0	0	Green	Green	-		
Total						**7,715,350**	**(255)**	**43,504**	**-**	**7,758,599**	**4,365,802**	**3,392,797**	**3,392,797**			**5,000,000**	**1,678,000**	**100,000**
Energy & Sustainability																		
Small Holdings																		
The Clamp - Smallholding Refurbishment	KCS03	Steve Charmley	S Law	19,714	19,714	-	-	-	-	-	-	-	-	Green	Green	-	-	
Total						**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**			**-**	**-**	**-**
Gypsy Sites																		
Travellers Sites Unallocated Grant (Phase 1&2 HCA)	K6T00	Steve Charmley	S Law	-	-	-	-	-	-	-	-	-	-	Green	Green	-	-	
Gypsy Site - Manor House Lane	K6T03	Steve Charmley	S Law	694,576	694,576	-	-	-	-	-	-	-	-	Green	Green	-	-	
Gypsy Sites - Whittington Phase 2	K6T04	Steve Charmley	S Law	671,522	671,522	-	-	-	-	-	-	-	-	Green	Green	-	-	
Gypsy Sites - Craven Arms Phase 2	K6T05	Steve Charmley	S Law	439,749	439,749	-	-	-	-	-	-	-	-	Green	Green	-	-	
Boars Den Gypsy Transit Site	K6T06	Steve Charmley	S Law	149,648	400	49,248	-	-	-	49,248	-	49,248	49,248	Green	Green	100,000	-	
Total						**49,248**	**-**	**-**	**-**	**49,248**	**-**	**49,248**	**49,248**			**100,000**	**-**	**-**
Total Strategic Asset Services						**7,764,598**	**(255)**	**43,504**	**-**	**7,807,847**	**4,365,802**	**3,442,045**	**3,442,045**			**5,100,000**	**1,678,000**	**100,000**
Total Business Enterprise & Commercial Services						**7,764,598**	**(255)**	**43,504**	**-**	**7,807,847**	**4,365,802**	**3,442,045**	**3,442,045**			**5,100,000**	**1,678,000**	**100,000**
Total Place & Enterprise						**40,906,628**	**-**	**740,455**	**11,639**	**41,658,722**	**31,993,600**	**9,665,122**	**9,665,122**			**37,276,536**	**18,817,000**	**15,001,000**

Scheme Description	Code	Portfolio Holder	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19 £	Spend to Budget Variance £	Slipped to 2019/20 £	RAG Status Scheme on Budget	RAG Status Scheme Progress	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
Adult Services																		
Social Care																		
Mount Pleasant - Shared Development Site	K5B60	Lee Chapman	T Miles	470,253	454,960	15,293	-	-	-	15,293	-	15,293	15,293	Green	Green	-	-	
Development Trust Development - Raven Site, Market Drayton	K5B94	Lee Chapman	T Miles	2,065,457	2,039,023	26,434	-	-	-	26,434	26,433	1	1	Green	Green	-	-	
Baschurch Assisted Living Bungalow - Phase 3	K5B04	Lee Chapman	T Miles	432,794	382,696	50,098	-	-	-	50,098	8,423	41,675	41,675	Green	Green	-	-	
London Road Assisted Living Bungalow - Phase 4	K5B05	Lee Chapman	T Miles	525,000	470,652	54,348	-	-	-	54,348	51,383	2,965	2,965	Green	Green	-	-	
ASC - Unallocated Grant	KA000	Lee Chapman	T Miles	Ongoing	-	-	-	-	-	-	-	-	-	Green	Green		-	
Aquamira Gas Installation	KA001	Lee Chapman	T Miles	19,210	16,489	-	2,721	-	-	2,721	2,721	0	0	Green	Green	-	-	
Hearne Way Caretakers Bungalow Refurbishment	KA022	Lee Chapman	T Miles	55,174	30,475	24,699	-	-	-	24,699	4,545	20,154	20,154	Green	Green	-	-	
Hook Lea, Hook Farm Road, Bridgnorth - Refurbishment	KA024	Lee Chapman	T Miles	55,000	-	55,000	-	-	-	55,000	55,000	-	-	Green	Green	-	-	
Specialist Equipment (Additional DFG funding)	KA025	Lee Chapman	L Fisher	66,350	-	66,350	-	-	-	66,350	12,973	53,377	53,377	Green	Green	-	-	
West Lodge Shelton Adaptations	KA026	Lee Chapman	T Miles	40,097	40,097	-	-	-	-	-	-	-	-	Green	Green	-	-	
Aquamira - New Pool Cover	KA027	Lee Chapman	T Miles	33,783	5,923	54,077	(26,217)	-	-	27,860	395	27,465	27,465	Green	Green	-	-	
Aquamira - New Sensory Equipment	KA028	Lee Chapman	T Miles	14,592	8,585	-	6,007	-	-	6,007	-	6,007	6,007	Green	Green	-	-	
Blackfriars Oswestry - Specialist Bath Replacement	KA029	Lee Chapman	T Miles	11,621	-	11,621	-	-	-	11,621	11,621	-	-	Green	Green	-	-	
Portland Crescent	KA031	Lee Chapman	T Miles	4,807	-	10,000	(5,193)	-	-	4,807	3,053	1,754	1,754	Green	Green	-	-	
2 Pine View Minsterley	KA032	Lee Chapman	T Miles	1,777	-	-	1,777	-	-	1,777	1,777	0	0	Green	Green	-	-	
Oswestry Blackfriars Adaptations Grant	KA033	Lee Chapman	T Miles	25,000	-	25,000	-	-	-	25,000	25,000	-	-	Green	Green	-	-	
Four Rivers Bed Replacement & Fire Safety	KA034	Lee Chapman	T Miles	11,243	1,632	9,611	-	-	-	9,611	9,611	(0)	(0)	Green	Green	-	-	
Greenacres Farm - Farm Buildings Upgrade	KA035	Lee Chapman	T Miles	298,923	-	298,923	-	-	-	298,923	105,496	193,427	193,427	Green	Green	-	-	
Assistive Technology Equipment - Housing Projects	KA036	Lee Chapman	J Burns	10,695	-	10,000	695	-	-	10,695	10,695	(0)	(0)	Green	Green	-	-	
Crowmoor Refurbishment Works	KA037	Lee Chapman	T Miles	34,458	-	34,458	-	-	-	34,458	34,458	-	-	Green	Green	-	-	
93 Sutton Road Adaptations Grant	KA038	Lee Chapman	T Miles	50,000	-	50,000	-	-	-	50,000	50,000	-	-	Green	Green	-	-	
OT Equipment - South	KA039	Lee Chapman	S Kelly	190,394	-	165,000	5,535	19,859	-	190,394	190,394	(0)	(0)	Green	Green	-	-	
OT Equipment - North	KA040	Lee Chapman	S Kelly	197,572	-	220,000	(22,428)	-	-	197,572	197,572	0	0	Green	Green	-	-	
OT Equipment - Central	KA041	Lee Chapman	S Kelly	215,243	-	180,000	35,243	-	-	215,243	215,243	(0)	(0)	Green	Green	-	-	
OT Equipment - Children's	KA042	Lee Chapman	S Kelly	116,650	-	135,000	(18,350)	-	-	116,650	116,650	0	0	Green	Green	-	-	
Equipment purchases to support single handed care	KA043	Lee Chapman	D Webster	150,000	-	150,000	-	-	-	150,000	11,286	138,714	138,714	Green	Green	-	-	
Assistive Technology Equipment - Supported Living	KA044	Lee Chapman	M Davies	150,000	-	150,000	-	-	-	150,000	486	149,514	149,514	Green	Green	-	-	
Assistive Technology Equipment Coppice Step Beds	KA045	Lee Chapman	T Miles	50,000	-	50,000	-	-	-	50,000	-	50,000	50,000	Green	Green	-	-	
Abbots Wood - Cycle Store	KA046	Lee Chapman	D Key	3,000	-	-	3,000	-	-	3,000	-	3,000	3,000	Green	Green	-	-	
Wayfarers - Multi Sensory Equipment	KA047	Lee Chapman	D Key	8,605	-	-	8,605	-	-	8,605	-	8,605	8,605	Green	Green	-	-	
Avalon - Multi Sensory Equipment	KA048	Lee Chapman	D Key	8,605	-	-	8,605	-	-	8,605	-	8,605	8,605	Green	Green	-	-	
Total						**1,845,912**	**-**	**19,859**	**-**	**1,865,771**	**1,145,216**	**720,555**	**720,555**			**-**	**-**	**-**
Housing Health & Wellbeing																		
Disabled Facilities Grants - Fast track system	K5P02	Lee Chapman	A Begley	Ongoing	-	506,572	-	-	-	506,572	341,557	165,015	165,015	Green	Green	800,000	-	
Disabled Facilities Grants	K5P03	Lee Chapman	A Begley	Ongoing	-	1,228,382	-	-	-	1,228,382	1,103,170	125,212	125,212	Green	Green	1,000,000	-	
HOLD Project	K5P04	Lee Chapman	A Begley	2,415,000	256,385	358,615	-	-	-	358,615	61,208	297,407	297,407	Green	Green	1,800,000	-	
Total						**2,093,569**	**-**	**-**	**-**	**2,093,569**	**1,505,934**	**587,635**	**587,635**			**3,600,000**	**-**	**-**
Total Adult Services						**3,939,481**	**-**	**19,859**	**-**	**3,959,340**	**2,651,150**	**1,308,190**	**1,308,190**			**3,600,000**	**-**	**-**
Public Health																		
Substance Misuse																		
Help 2 Change Transit DX66 ZYT	KHC04	Lee Chapman	J Pearce	19,635	14,235	5,400	-	-		5,400	5,400	-	-	Green	Green			
Help 2 Change Liver Scanning Equipment	KHC05	Lee Chapman	J Pearce	45,900	45,900	-	-	-		-	-	-	-	Green	Green			
Total						**5,400**	**-**	**-**	**-**	**5,400**	**5,400**	**-**	**-**			**-**	**-**	**-**
Private Sector Housing																		
Market Drayton Empty Property Incentive Grant	K5P14	Lee Chapman	K Collier	398,482	398,482	-	-	-	-	-	-	-	-	Green	Green	-	-	
Oswestry Area Empty Property Incentive Grant	K5P15	Lee Chapman	K Collier	58,030	58,030	-	-	-	-	-	-	-	-	Green	Green	-	-	
Whitchurch Area Empty Property Incentive Grant	K5P17	Lee Chapman	K Collier	263,970	211,486	22,484	-	-	-	22,484	-	22,484	22,484	Green	Green	30,000	-	
Shropshire County Empty Property Incentive Grant	KPS01	Lee Chapman	K Collier	529,517	140,809	188,708	-	-	-	188,708	92,556	96,152	96,152	Green	Green	200,000	-	
Total						**211,192**	**-**	**-**	**-**	**211,192**	**92,556**	**118,636**	**118,636**			**230,000**	**-**	**-**
Total Public Health						**216,592**	**-**	**-**	**-**	**216,592**	**97,956**	**118,636**	**118,636**			**230,000**	**-**	**-**
Resources & Support																		
Customer Involvement																		
ICT Digital Transformation																		
ICT Digital Transformation - Unallocated	KIC00	Steve Charmley	M Leith	5,000,000	-	101,465	(101,465)	-	-	-	-	-	-	Green	Green	5,000,000	-	
ICT Digital Transformation - WI-FI Installation	KIC02	Steve Charmley	M Leith	192,911	108,476	239,710	(155,275)	-	-	84,435	84,435	(0)	(0)	Green	Green	-	-	
ICT Digital Transformation - IVANTI (LAN Desk)	KIC03	Steve Charmley	M Leith	37,945	34,824	3,121	-	-	-	3,121	3,121	-	-	Green	Green	-	-	
ICT Digital Transformation - Social Care Project	KIC04	Steve Charmley	M Leith	3,277,683	990,998	1,996,385	290,300	-	-	2,286,685	2,286,685	-	-	Green	Green	-	-	
ICT Digital Transformation - Contact Centre Unified Comms	KIC05	Steve Charmley	M Leith	287,458	229,948	142,917	(85,407)	-	-	57,510	57,510	-	-	Green	Green	-	-	
ICT Digital Transformation - ERP	KIC06	Steve Charmley	M Leith	2,312,892	281,733	2,368,330	(337,171)	-	-	2,031,159	1,579,150	452,009	452,009	Green	Green	-	-	
ICT Digital Transformation - CRM	KIC07	Steve Charmley	M Leith	1,225,915	-	1,307,031	(81,116)	-	-	1,225,915	1,146,749	79,166	79,166	Green	Green	-	-	
ICT Digital Transformation - DTP End User Kit	KIC09	Steve Charmley	M Leith	470,134	-	-	470,134	-	-	470,134	469,731	403	403	Green	Green			
Total						**6,158,959**	**-**	**-**	**-**	**6,158,959**	**5,627,381**	**531,578**	**531,578**			**5,000,000**	**-**	**-**
Total Resources & Support						**6,158,959**	**-**	**-**	**-**	**6,158,959**	**5,627,381**	**531,578**	**531,578**			**5,000,000**	**-**	**-**

Scheme Description	Code	Portfolio Holder	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19 £	Spend to Budget Variance £	Slipped to 2019/20 £	RAG Status Scheme on Budget	RAG Status Scheme Progress	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
Children's Services																		
Children's Safeguarding																		
Children's Residential Care																		
Children's Residential Care - Buildings Conversion	K3A47	Nicholas Bardsley	K Bradshaw	33,762	33,762	-	-	-	-	-	-	-	-	Green		-	-	
Total						-	-	-	-	-	-	-	-			-	-	-
Youth Work																		
Total Children's Safeguarding						-	-	-	-	-	-	-	-			-	-	-
Learning & Skills																		
Early Years																		
Early Years Unallocated	KLE00	Nicholas Bardsley	N Ward	Ongoing	-	2,286	(15,000)	-	15,000	2,286	-	2,286	2,286	Green	Green	1,441	-	
Brockton Primary Early Years	KLE06	Nicholas Bardsley	N Ward	92,840	2,115	47,885	19,281	-	-	67,166	6,048	61,118	61,118	Green	Green	23,559	-	
Wistanstow EY	KLE12	Nicholas Bardsley	N Ward	3,024	2,944	80	-	-	-	80	79	1	1	Green	Green	-	-	
Cressage EY	KLE13	Nicholas Bardsley	N Ward	15,000	-	15,000	-	-	-	15,000	-	15,000	15,000	Green	Green	-	-	
Boony Bundles BN EY	KLE15	Nicholas Bardsley	N Ward	18,000	-	18,000	-	-	-	18,000	18,000	-	-	Green	Green	-	-	
Oakmeadow Primary - Nursery Alterations	KLE17	Nicholas Bardsley	N Ward	32,023	-	32,023	-	-	-	32,023	29,741	2,282	2,282	Green	Green	-		
The Ark Nursery, Pontesbury	KLE19	Nicholas Bardsley	N Ward	15,000	-		15,000	-	-	15,000	15,000	-	-	Green	Green	-		
Broseley John Wilkinson Primary Early Years	K3L11	Nicholas Bardsley	N Ward	433,203	285,719	147,484	-	-	-	147,484	10,866	136,618	136,618	Green	Green	-	-	
Total						**262,758**	**19,281**	**-**	**15,000**	**297,039**	**79,735**	**217,304**	**217,304**			**25,000**	**-**	**-**
Basic Need																		
Basic Need Unallocated	KLB00	Nicholas Bardsley	P Wilson	Ongoing	-	-	-	-	-	-	-	-	-	Green	Green	7,994,776	1,697,691	
Market Drayton - Basic Need	K3181	Nicholas Bardsley	P Wilson	264,060	225,547	38,513	-	-	-	38,513	-	38,513	38,513	Green	Green	-	-	
Shrewsbury Mount Pleasant	KLB01	Nicholas Bardsley	P Wilson	557,274	506,308	50,966	-	-	-	50,966	31,009	19,957	19,957	Green	Green	-	-	
Shifnal Primary	KLB03	Nicholas Bardsley	P Wilson	373,636	341,467	32,169	-	-	-	32,169	14,903	17,266	17,266	Green	Green	-	-	
Market Drayton Infant - Place Planning	KLB05	Nicholas Bardsley	P Wilson	420,000	-	20,000	-	-	-	20,000	31,838	(11,838)	(11,838)	Green	Green	400,000	-	
Shifnal St Andrews 2 Class Extension	KLB06	Nicholas Bardsley	P Wilson	686,805	-	200,000	-	(13,195)	-	186,805	50,783	136,022	136,022	Green	Green	500,000		
Sundorne Infants/Harlescott Junior - Site TBC	KLB07	Nicholas Bardsley	P Wilson	-	-	-	-	-	-	-	-	-	-	Green	Green	-	-	
Market Drayton Junior - Place Planning	KLB08	Nicholas Bardsley	P Wilson	450,000	-	20,000	-	-	-	20,000	29,706	(9,706)	(9,706)	Green	Green	430,000	-	
Shifnal Primary 2 Class Extension	KLB09	Nicholas Bardsley	P Wilson	706,500	6,500	700,000	-	-	-	700,000	584,999	115,001	115,001	Green	Green	-	-	
Whitchurch Infants - 2 x Classroom Reconfiguration	KLB10	Nicholas Bardsley	P Wilson	225,000	-	20,000	-	-	-	20,000	-	20,000	20,000	Green	Green	205,000		
Meole Brace Primary 2 Class Extension	KLB11	Nicholas Bardsley	P Wilson	440,000	-	20,000	-	-	-	20,000	42,107	(22,107)	(22,107)	Green	Green	420,000		
Mereside Primary - 1 x Classbase and Reconfiguration	KLB12	Nicholas Bardsley	P Wilson	420,000	-	20,000	-	-	-	20,000	1,207	18,793	18,793	Green	Green	400,000		
Baschurch Primary	KLB13	Nicholas Bardsley	P Wilson	305,295	-	20,000	-	50,295	(17,037)	53,258	27,604	25,654	25,654	Green	Green	252,037		
Hadnall Primary 1 Class Extension	KLB14	Nicholas Bardsley	P Wilson	325,000	-	20,000	-	-	-	20,000	24,599	(4,599)	(4,599)	Green	Green	305,000		
Whitchurch Junior - 2 Class Extension & Refurbishment	KLB15	Nicholas Bardsley	P Wilson	590,000	-	20,000	-	-	-	20,000	-	20,000	20,000	Green	Green	570,000		
Total						**1,181,648**	**-**	**37,100**	**(17,037)**	**1,201,711**	**838,755**	**362,956**	**362,956**			**11,476,813**	**1,697,691**	**-**
School Amalgamations																		
School Amalgamations Unallocated	KLA00	Nicholas Bardsley	P Wilson	Ongoing	-	118,334	36,318	-	-	154,652	-	154,652	154,652	Green	Green	-	-	
Mount Pleasant	K3200	Nicholas Bardsley	P Wilson	2,865,218	2,853,516	11,702	-	-	-	11,702	-	11,702	11,702	Green	Green	-	-	
Bishop Hooper	K3094	Nicholas Bardsley	P Wilson	3,440,817	3,402,845	37,972	-	-	-	37,972	-	37,972	37,972	Green	Green	-	-	
Hope, Worthen & Westbury Amalgamation (Long Mountain)	K3217	Nicholas Bardsley	P Wilson	814,763	201,128	649,953	(36,318)	-	-	613,635	593,791	19,844	19,844	Green	Green	-	-	
Total						**817,961**	**-**	**-**	**-**	**817,961**	**593,791**	**224,170**	**224,170**			**-**	**-**	**-**
Suitability																		
Farlow P)rimary- PPA Space & Headteachers Office	KLS11	Nicholas Bardsley	P Wilson	90,479	48,056	42,423	-	-	-	42,423	42,423	0	0	Green	Green	-	-	
Norbury Primary- PPA Space	KLS12	Nicholas Bardsley	P Wilson	76,300	-	-	-	-	-	-	-	-	-	Green	Green	76,300	-	
Hodnet - Secure Access	KLS14	Nicholas Bardsley	P Wilson	69,714	575	154,825	(85,686)	-	-	69,139	69,139	(0)	(0)	Green	Green	-	-	
Total						**197,248**	**(85,686)**	**-**	**-**	**111,562**	**111,562**	**(0)**	**(0)**			**76,300**	**-**	**-**
Energy Efficiency																		
Bomere Heath - Boiler Replacement	KLG09	Nicholas Bardsley	P Wilson	78,947	-	83,469	(4,522)	-	-	78,947	78,947	0	0	Green	Green	-	-	
Greenacres - Boiler & Controls	KLG10	Nicholas Bardsley	P Wilson	57,221	-	62,375	(5,154)	-	-	57,221	57,221	(0)	(0)	Green	Green	-	-	
Lower Heath - Boiler & Controls	KLG11	Nicholas Bardsley	P Wilson	25,096	-	27,262	(2,166)	-	-	25,096	25,096	(0)	(0)	Green	Green	-	-	
Meole Primary - Boiler & Controls	KLG12	Nicholas Bardsley	P Wilson	32,633	-	39,728	(7,095)	-	-	32,633	32,633	0	0	Green	Green	-	-	
Bicton - Replace Boiler	KLG13	Nicholas Bardsley	P Wilson	113,238	-	109,000	4,238	-	-	113,238	113,238	(0)	(0)	Green	Green	-	-	
St Laurence Ludlow - Boiler & Controls	KLG14	Nicholas Bardsley	P Wilson	78,645	-	80,010	(1,365)	-	-	78,645	78,645	0	0	Green	Green	-	-	
Woodfield - Repipe Heating Phase 1	KLG15	Nicholas Bardsley	P Wilson	55,177	-	55,233	(56)	-	-	55,177	55,177	(0)	(0)	Green	Green	-	-	
Woodlands Boiler & Controls	KLG16	Nicholas Bardsley	P Wilson	89,571	-	91,878	(2,307)	-	-	89,571	89,571	(0)	(0)	Green	Green	-	-	
Total						**548,955**	**(18,427)**	**-**	**-**	**530,528**	**530,528**	**(0)**	**(0)**			**-**	**-**	**-**

Scheme Description	Code	Portfolio Holder	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19 £	Spend to Budget Variance £	Slipped to 2019/20 £	RAG Status Scheme on Budget	RAG Status Scheme Progress	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
Condition																		
Condition Unallocated	KL000	Nicholas Bardsley	P Wilson	Ongoing	-	12,318	109,021	-	-	121,339	-	121,339	121,339	Green	Green	2,390,000	1,500,000	1,000,000
Moreton Say - Re-Roofing of Original Main Building	KL071	Nicholas Bardsley	P Wilson	91,061	89,171	-	1,890	-	-	1,890	900	990	990	Green	Green	-	-	
Hinstock Primary - Re-roof	KL323	Nicholas Bardsley	P Wilson	40,077	40,077	-	-	-	-	-	-	-	-	Green	Green	-	-	
Kinnerley Primary - Phase 1 Heating	KL329	Nicholas Bardsley	P Wilson	81,341	81,341	-	-	-	-	-	-	-	-	Green	Green	-	-	
Stiperstones Primary - Toilet refurbishment	KL343	Nicholas Bardsley	P Wilson	52,783	-	53,425	(642)	-	-	52,783	52,783	(0)	(0)	Green	Green	-	-	
Woodfield Primary - replace kitchen roof	KL365	Nicholas Bardsley	P Wilson	70,996	70,996	-	-	-	-	-	-	-	-	Green	Green	-	-	
Lighting Projects Phase 1	KL400	Nicholas Bardsley	P Wilson	-	-	-	-	-	-	-	-	-	-	Green	Green	-		
BCCC - Window Replacement Phase 2	KL401	Nicholas Bardsley	P Wilson	61,914	-	68,923	(7,009)	-	-	61,914	61,914	(0)	(0)	Green	Green	-		
BCCC - Reroof Demountable	KL402	Nicholas Bardsley	P Wilson	-	-	-	-	-	-	-	-	-	-	Green	Green	-		
Church Preen - Replace Sewage Pump	KL403	Nicholas Bardsley	P Wilson	27,830	-	28,896	(1,066)	-	-	27,830	27,830	(0)	(0)	Green	Green	-		
Church Preen - Rewire Phase 3	KL404	Nicholas Bardsley	P Wilson	6,700	-	6,700	-	-	-	6,700	6,700	(0)	(0)	Green	Green	-		
Clive Primary - Rewire Phase 1	KL405	Nicholas Bardsley	P Wilson	19,559	-	21,829	(2,270)	-	-	19,559	19,559	(0)	(0)	Green	Green	-		
BCCC - Rewire Phase 3	KL406	Nicholas Bardsley	P Wilson	34,448	-	37,077	(2,629)	-	-	34,448	34,448	0	0	Green	Green	-		
Crowmoor - Reroof Block 3	KL407	Nicholas Bardsley	P Wilson	-	-	32,700	(32,700)	-	-	-	-	-	-	Green	Green	-		
Crowmoor - Flooring Final Phase	KL408	Nicholas Bardsley	P Wilson	20,047	-	32,700	(12,653)	-	-	20,047	20,047	0	0	Green	Green	-		
Greenacres - Refenestration	KL409	Nicholas Bardsley	P Wilson	22,053	-	21,475	578	-	-	22,053	22,053	(0)	(0)	Green	Green	-		
Grove - Fenestration	KL410	Nicholas Bardsley	P Wilson	119,961	-	119,819	142	-	-	119,961	119,961	0	0	Green	Green	-		
Highley - Windows Phase 3	KL411	Nicholas Bardsley	P Wilson	14,908	-	20,305	(5,397)	-	-	14,908	14,908	0	0	Green	Green	-		
Hinstock - Kitchen Refurbishment	KL412	Nicholas Bardsley	P Wilson	44,217	-	44,217	-	-	-	44,217	430	43,787	43,787	Green	Green	-		
Kinnerley - Window Replacement Phase 1	KL413	Nicholas Bardsley	P Wilson	58,174	-	65,400	(7,226)	-	-	58,174	53,341	4,833	4,833	Green	Green	-		
Belvidere Secondary - Kitchen Ventilation and ASB	KL414	Nicholas Bardsley	P Wilson	78,530	-	81,610	(3,080)	-	-	78,530	78,530	0	0	Green	Green	-		
Longnor - Floor Replacement	KL415	Nicholas Bardsley	P Wilson	23,113	-	30,278	(7,165)	-	-	23,113	23,113	(0)	(0)	Green	Green	-		
Mary Webb - Phase 2 Toilet Refurbishment	KL416	Nicholas Bardsley	P Wilson	68,445	-	77,134	(8,689)	-	-	68,445	68,445	0	0	Green	Green	-		
Market Drayton Infant - Toilet Reconfiguration	KL417	Nicholas Bardsley	P Wilson	42,711	-	46,830	(4,119)	-	-	42,711	42,711	0	0	Green	Green	-		
Meole Brace Secondary - Replace Hall Windows	KL418	Nicholas Bardsley	P Wilson	32,049	-	35,411	(3,362)	-	-	32,049	32,049	(0)	(0)	Green	Green	-		
Market Drayton Junior - Year 6 Toilet Refurbishment	KL419	Nicholas Bardsley	P Wilson	23,561	-	25,490	(1,929)	-	-	23,561	23,561	0	0	Green	Green	-		
Martin Wlson - Replace Floor	KL420	Nicholas Bardsley	P Wilson	19,834	-	21,800	(1,966)	-	-	19,834	19,834	(0)	(0)	Green	Green	-		
Oswestry Meadows - Rewire Phase 2	KL421	Nicholas Bardsley	P Wilson	27,391	-	35,819	(8,428)	-	-	27,391	27,391	0	0	Green	Green	-		
Meole Brace - Primary Replace Ramp Demount	KL422	Nicholas Bardsley	P Wilson	9,619	-	11,377	(1,758)	-	-	9,619	9,619	(0)	(0)	Green	Green	-		
Meole Brace Primary - Re-roof Lower KS2	KL423	Nicholas Bardsley	P Wilson	26,013	-	31,920	(5,907)	-	-	26,013	26,013	0	0	Green	Green	-		
Minsterley - Replace Windows Final	KL424	Nicholas Bardsley	P Wilson	16,470	-	17,466	(996)	-	-	16,470	16,470	0	0	Green	Green	-		
Minsterley - Playground Alterations	KL425	Nicholas Bardsley	P Wilson	-	-	38,150	(38,150)	-	-	-	-	-	-	Green	Green	-		
Minsterley - Phase 2 re-wire	KL426	Nicholas Bardsley	P Wilson	36,706	-	38,477	(1,771)	-	-	36,706	36,706	(0)	(0)	Green	Green	-		
Much Wenlock Primary - Fan Convectors	KL427	Nicholas Bardsley	P Wilson	42,865	-	42,884	(19)	-	-	42,865	42,865	0	0	Green	Green	-		
Nesscliffe St Andrews- Fenestration	KL428	Nicholas Bardsley	P Wilson	104,606	-	109,590	(4,984)	-	-	104,606	104,606	0	0	Green	Green	-		
Nortin in Hales - Kitchen Refurbishment	KL429	Nicholas Bardsley	P Wilson	27,250	-	27,250	-	-	-	27,250	-	27,250	27,250	Green	Green	-		
Norton in Hales - Replace Demountable Windows	KL430	Nicholas Bardsley	P Wilson	15,668	-	11,694	3,974	-	-	15,668	15,668	0	0	Green	Green	-		
Oxon Primary - Refenestration	KL431	Nicholas Bardsley	P Wilson	33,696	-	32,700	996	-	-	33,696	24,876	8,820	8,820	Green	Green	-		
Pontesbury Primary - Window Replacement Phase 3	KL432	Nicholas Bardsley	P Wilson	32,146	-	30,733	1,413	-	-	32,146	31,102	1,044	1,044	Green	Green	-		
Selattyn - Stone Wall	KL433	Nicholas Bardsley	P Wilson	7,555	-	9,185	(1,630)	-	-	7,555	7,555	(0)	(0)	Green	Green	-		
St Giles - Re-roof Phase 1	KL434	Nicholas Bardsley	P Wilson	104,552	-	104,552	-	-	-	104,552	100,735	3,817	3,817	Green	Green	-		
Meole Brace Secondary - Window Repalcement Drama Block	KL435	Nicholas Bardsley	P Wilson	43,564	-	43,564	-	-	-	43,564	43,564	0	0	Green	Green	-		
St Peters Wem - Replace Roof Phase 4	KL437	Nicholas Bardsley	P Wilson	64,702	-	65,465	(763)	-	-	64,702	64,702	0	0	Green	Green	-		
St Thomas & St Annes - Re-roof	KL439	Nicholas Bardsley	P Wilson	24,577	-	40,000	(15,423)	-	-	24,577	-	24,577	24,577	Green	Green	-		
Trinity Ford - Re-roof Phase 2	KL440	Nicholas Bardsley	P Wilson	53,395	-	54,775	(1,380)	-	-	53,395	53,395	0	0	Green	Green	-		
Welshampton - Re-wire Phase 1	KL441	Nicholas Bardsley	P Wilson	21,226	-	21,908	(682)	-	-	21,226	21,226	(0)	(0)	Green	Green	-		
Whitchurch Junior - Window Replacement	KL443	Nicholas Bardsley	P Wilson	99,065	-	87,200	11,865	-	-	99,065	99,065	(0)	(0)	Green	Green	-		
Woore - Electrical Re-wire Phase 2	KL444	Nicholas Bardsley	P Wilson	25,462	-	27,126	(1,664)	-	-	25,462	25,462	0	0	Green	Green	-		
Grove School - Fenestration and Roof replacement	KL445	Nicholas Bardsley	P Wilson	67,907	-	59,667	8,240	-	-	67,907	67,907	(0)	(0)	Green	Green	-		
Meole Brace Secondary Boiler Replacement	KL446	Nicholas Bardsley	P Wilson	-	-	-	-	-	-	-	-	-	-	Green	Green	-		
Oakmeadow Secure Lobby	KL447	Nicholas Bardsley	P Wilson	55,147	-	44,180	7,467	3,500	-	55,147	44,971	10,176	10,176	Green	Green	-		
Adderley Primary Secure Lobby	KL448	Nicholas Bardsley	P Wilson	33,135	-	33,135	-	-	-	33,135	-	33,135	33,135	Green	Green	-		
Ruyton X1 Towns Secure Lobby	KL449	Nicholas Bardsley	P Wilson	33,135	-	33,135	-	-	-	33,135	-	33,135	33,135	Green	Green	-		
Lower Heath Electrical Capacity Upgrade	KL450	Nicholas Bardsley	P Wilson	21,283	-	21,283	-	-	-	21,283	13,842	7,441	7,441	Green	Green	-		
Newcastle Primary Roof Replacement	KL451	Nicholas Bardsley	P Wilson	53,687	-	53,687	-	-	-	53,687	53,687	(0)	(0)	Green	Green	-		
St Andrews Nesscliffe Fenestration	KL452	Nicholas Bardsley	P Wilson	-	-	-	-	-	-	-	-	-	-	Green	Green	-		
Kinnerley Fenestration	KL453	Nicholas Bardsley	P Wilson	-	-	10,855	(10,855)	-	-	-	-	-	-	Green	Green	-		
Thomas Adams Art Work Block Subsidence	KL454	Nicholas Bardsley	P Wilson	150,009	-	150,009	-	-	-	150,009	99,460	50,549	50,549	Green	Green	-		
Thomas Adams Emergency Lighting	KL455	Nicholas Bardsley	P Wilson	5,217	-	5,450	(233)	-	-	5,217	5,217	0	0	Green	Green	-		
Mereside Emergency Lighting	KL456	Nicholas Bardsley	P Wilson	5,413	-	1,090	4,323	-	-	5,413	5,413	(0)	(0)	Green	Green	-		
West Felton Emergency Lighting	KL457	Nicholas Bardsley	P Wilson	4,095	-	10,900	(6,805)	-	-	4,095	4,095	0	0	Green	Green	-		
Gobowen Emergency Lighting	KL458	Nicholas Bardsley	P Wilson	6,035	-	4,360	1,675	-	-	6,035	6,035	(0)	(0)	Green	Green	-		
Myddle Emergency Lighting	KL459	Nicholas Bardsley	P Wilson	5,484	-	10,900	(5,416)	-	-	5,484	5,484	(0)	(0)	Green	Green	-		
Newcastle Replacement Heater Ancilary Works	KL460	Nicholas Bardsley	P Wilson	17,383	-	27,032	(9,649)	-	-	17,383	17,383	(0)	(0)	Green	Green	-		
Chirbury Primary Replacement Air Conditioning	KL461	Nicholas Bardsley	P Wilson	15,182	-	16,278	(1,096)	-	-	15,182	15,182	0	0	Green	Green	-		
Grove Flat Roof and Boiler Room Roof	KL462	Nicholas Bardsley	P Wilson	25,129	-	25,079	50	-	-	25,129	25,129	0	0	Green	Green	-		
Oswestry Meadows Toilet Refurbishment	KL463	Nicholas Bardsley	P Wilson	8,339	-	-	8,339	-	-	8,339	8,339	1	1	Green	Green	-		
Albrighton Primary KS1 Boiler Replacement	KL464	Nicholas Bardsley	P Wilson	6,845	-	-	6,845	-	-	6,845	6,845	(0)	(0)	Green	Green	-		
BCCC Mains Distribution Phase 1	KL467	Nicholas Bardsley	P Wilson	-	-	-	-	-	-	-	-	-	-	Green	Green	-		
Chirbury Primary Rewire Phase 1	KL468	Nicholas Bardsley	P Wilson	35,445	-	-	35,445	-	-	35,445	35,445	(0)	(0)	Green	Green	-		
Norbury Primary Rewire Phase 1	KL469	Nicholas Bardsley	P Wilson	28,281	-	-	28,281	-	-	28,281	28,281	(0)	(0)	Green	Green	-		
Cressage Christ Church CEP Mains Distribution Update	KL470	Nicholas Bardsley	P Wilson	22,558	-	-	22,558	-	-	22,558	21,450	1,108	1,108	Green	Green	-		
Thomas Adams Wem Retaining Wall	KL471	Nicholas Bardsley	P Wilson	29,900	-	-	29,900	-	-	29,900	29,900	-	-	Green	Green	-		
Thomas Adams Demountable Works (L Block)	KL472	Nicholas Bardsley	P Wilson	26,302	-	-	26,302	-	-	26,302	26,302	0	0	Green	Green	-		
Woodlands Fire Compartmentation Works	KL473	Nicholas Bardsley	P Wilson	1,090	-	-	1,090	-	-	1,090	-	1,090	1,090	Green	Green	-		
Morda Electrical Rewire	KL474	Nicholas Bardsley	P Wilson	16,110	-	-	16,110	-	-	16,110	16,110	(0)	(0)	Green	Green	-		
Total						**2,273,212**	**106,993**	**3,500**	**-**	**2,383,705**	**2,010,615**	**373,090**	**373,090**			**2,390,000**	**1,500,000**	**1,000,000**

Scheme Description	Code	Portfolio Holder	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19 £	Spend to Budget Variance £	Slipped to 2019/20 £	RAG Status Scheme on Budget	RAG Status Scheme Progress	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
Fire Safety Schemes																		
Fire Safety - Beckbury	KLF16	Nicholas Bardsley	P Wilson	11,842	11,842	-	-	-	-	-	-	-	-	Green	Green	-	-	
Fire Safety - Bomere Heath New Fire Alarm	KLF31	Nicholas Bardsley	P Wilson	24,010	-	26,890	(2,880)	-	-	24,010	24,010	0	0	Green	Green	-		
Total						**26,890**	**(2,880)**	**-**	**-**	**24,010**	**24,010**	**0**	**0**			**-**	**-**	**-**
Healthy Pupils Capital Fund (HPCF)																		
Healthy Pupils Capital Fund (HPCF) Unallocated	KLH00	Nicholas Bardsley	P Wilson	-	-	-	-	-	-	-	-	-	-	Green	Green			
Schools 1 Mile Running Tracks	KLH01	Nicholas Bardsley	P Wilson	105,001	-	104,170	831	-	-	105,001	105,000	1	1	Green	Green			
Adderley Primary Gym Equipment	KLH02	Nicholas Bardsley	P Wilson	5,300	-	5,238	-	62	-	5,300	5,300	-	-	Green	Green			
John Wilkinson EYFS Outdoors Space	KLH03	Nicholas Bardsley	P Wilson	16,673	-	7,000	5,673	4,000	-	16,673	12,501	4,172	4,172	Green	Green			
Buntingsdale Primary Outdoor Gym	KLH04	Nicholas Bardsley	P Wilson	7,000	-	7,000	-	-	-	7,000	6,765	235	235	Green	Green			
Cheswardine Primary Nature Gym	KLH05	Nicholas Bardsley	P Wilson	8,445	-	8,445	-	-	-	8,445	8,445	-	-	Green	Green			
Ford Trinity All Weather MUGA	KLH06	Nicholas Bardsley	P Wilson	7,000	-	7,000	-	-	-	7,000	-	7,000	7,000	Green	Green			
Hadnall Primary Outdoor EYFS Area/Concrete Table Tennis	KLH07	Nicholas Bardsley	P Wilson	4,000	-	4,000	-	-	-	4,000	-	4,000	4,000	Green	Green			
Hinstock Primary Fitness Trail/Climbing Wall	KLH08	Nicholas Bardsley	P Wilson	7,000	-	7,000	-	-	-	7,000	7,000	-	-	Green	Green			
Kinlet Primary Outdoor Sport Equipment	KLH09	Nicholas Bardsley	P Wilson	1,515	-	1,666	(151)	-	-	1,515	1,515	0	0	Green	Green			
Longnor Primary Fitness Agility Area	KLH10	Nicholas Bardsley	P Wilson	7,000	-	7,000	-	-	-	7,000	6,918	82	82	Green	Green			
Ludlow St Laurence Adventure Playground	KLH11	Nicholas Bardsley	P Wilson	14,378	-	10,140	4,238	-	-	14,378	14,378	0	0	Green	Green			
Minsterley Primary Food Technology Area	KLH12	Nicholas Bardsley	P Wilson	7,000	-	7,000	-	-	-	7,000	6,448	552	552	Green	Green			
Moreton Say Primary Play Equipment	KLH13	Nicholas Bardsley	P Wilson	1,727	-	1,727	-	-	-	1,727	1,449	278	278	Green	Green			
Norton in Hales Primary Fitness Equipment	KLH14	Nicholas Bardsley	P Wilson	7,000	-	7,000	-	-	-	7,000	7,000	-	-	Green	Green			
Oswestry Meadows Wooden Adventure Trail	KLH15	Nicholas Bardsley	P Wilson	3,000	-	3,000	-	-	-	3,000	-	3,000	3,000	Green	Green			
Rushbury Primary Vegetable Garden Groundworks	KLH16	Nicholas Bardsley	P Wilson	5,000	-	5,000	-	-	-	5,000	4,566	434	434	Green	Green			
Sheriffhales Outdoor Classroom	KLH17	Nicholas Bardsley	P Wilson	7,000	-	7,000	-	-	-	7,000	1,431	5,569	5,569	Green	Green			
Shifnal St Andrews Food Technology Area	KLH18	Nicholas Bardsley	P Wilson	7,000	-	7,000	-	-	-	7,000	-	7,000	7,000	Green	Green			
Shrewsbury Mereside Outdoor Play Facilities	KLH19	Nicholas Bardsley	P Wilson	14,876	-	7,000	7,876	-	-	14,876	14,876	-	-	Green	Green			
Sundorne Infants Forest School Cabin	KLH20	Nicholas Bardsley	P Wilson	7,000	-	7,000	-	-	-	7,000	-	7,000	7,000	Green	Green			
Stoke on Tern Outdoor Seating & Garden Equipment	KLH21	Nicholas Bardsley	P Wilson	3,000	-	3,000	-	-	-	3,000	-	3,000	3,000	Green	Green			
Welshampton Primary Outdoor Learning Cabin	KLH22	Nicholas Bardsley	P Wilson	7,000	-	7,000	-	-	-	7,000	-	7,000	7,000	Green	Green			
Weston Rhyn Primary Bottle Filling Station/Nurture Space	KLH23	Nicholas Bardsley	P Wilson	4,951	-	4,951	-	-	-	4,951	990	3,961	3,961	Green	Green			
Wistanstow Primary Outdoor Learning Area	KLH24	Nicholas Bardsley	P Wilson	5,360	-	6,040	(680)	-	-	5,360	5,360	(0)	(0)	Green	Green			
Woodlands Primary New Dining Equipment	KLH25	Nicholas Bardsley	P Wilson	7,000	-	7,000	-	-	-	7,000	800	6,200	6,200	Green	Green			
Grove Market Drayton Playground Resurfacing	KLH26	Nicholas Bardsley	P Wilson	7,000	-	7,000	-	-	-	7,000	-	7,000	7,000	Green	Green			
Total						**255,377**	**17,787**	**4,062**	**-**	**277,226**	**210,742**	**66,484**	**66,484**			**-**	**-**	**-**
Special Education Needs																		
Schools Access Initiative Unallocated	KLD00	Nicholas Bardsley	P Wilson	Ongoing	-	21,873	(2)	-	-	21,871	-	21,871	21,871	Green	Green	20,000	-	
SAI1819 - Market Drayton Jnr Accessibility Works	KLD12	Nicholas Bardsley	P Wilson	2,327	-	2,141	186	-	-	2,327	2,327	0	0	Green	Green			
SEND Whittington Special Provision Fund	KLD14	Nicholas Bardsley	P Wilson	42,261	-	29,439	12,822	-	-	42,261	42,261	(0)	(0)	Green	Green			
SAI 1819 - Woodfield Infant Accessibility Works	KLD15	Nicholas Bardsley	P Wilson	862	-	862	-	-	-	862	862	(0)	(0)	Green	Green			
SAI 1819 - Belvidere Accessibility Works	KLD16	Nicholas Bardsley	P Wilson	3,990	-	4,174	(184)	-	-	3,990	3,990	(0)	(0)	Green	Green			
SEND St Andrews, Nescliffe Hub	KLD17	Nicholas Bardsley	P Wilson	32,927	-	-	32,927	-	-	32,927	11,862	21,065	21,065	Green	Green			
SEND Sir John Talbots Hub	KLD18	Nicholas Bardsley	P Wilson	9,974	-	-	9,974	-	-	9,974	9,974	(0)	(0)	Green	Green			
Special Provision Funds Allocation	KLD06	Nicholas Bardsley	P Wilson	414,839	-	137,228	(55,723)	-	-	81,505	-	81,505	81,505	Green	Green	166,667	166,667	-
Total						**195,717**	**-**	**-**	**-**	**195,717**	**71,277**	**124,440**	**124,440**			**186,667**	**166,667**	**-**

Scheme Description	Code	Portfolio Holder	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19 £	Spend to Budget Variance £	Slipped to 2019/20 £	RAG Status Scheme on Budget	RAG Status Scheme Progress	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
Devolved Formula Capital				**Current**														
Primary Schools				**Allocation**														
Adderley Primary DFC	K3012		P Wilson	23,560		19,126	-	-	-	19,126	16,143	2,983	2,983			4,434	-	
Albrighton Primary DFC	K3015		P Wilson	22,012		12,592	-	-	-	12,592	700	11,892	11,892			9,420	-	
Beckbury Primary DFC	K3026		P Wilson	19,136		14,193	-	-	-	14,193	6,357	7,836	7,836			4,943	-	
Belvidere Primary DFC	K3333		P Wilson	31,380		20,472	-	-	-	20,472	13,162	7,310	7,310			10,908	-	
Bicton Primary DFC	K3028		P Wilson	19,013		11,204	-	-	-	11,204	-	11,204	11,204			7,809	-	
Bishops Castle Primary DFC	K3029		P Wilson	-		-	-	-	-	-	-	-	-			-	-	
Bomere Heath Primary DFC	K3032		P Wilson	23,065		16,277	-	-	-	16,277	3,936	12,341	12,341			6,788	-	
Brockton Primary DFC	K3038		P Wilson	27,875		41,716	(19,281)	-	-	22,435	4,604	17,831	17,831			5,440	-	
Broseley Primary DFC	K3040		P Wilson	20,541		10,319	-	-	-	10,319	9,493	826	826			10,222	-	
Brown Clee DFC	K3840		P Wilson	20,296		14,247	-	-	-	14,247	17,747	(3,500)	(3,500)			6,049	-	
Buntingsdale Primary DFC	K3044		P Wilson	13,338		7,783	-	-	-	7,783	943	6,840	6,840			5,555	-	
Cheswardine Primary DFC	K3055		P Wilson	18,345		12,816	-	-	-	12,816	4,011	8,805	8,805			5,529	-	
Chirbury DFC	K3057		P Wilson	14,049		9,283	-	-	-	9,283	6,955	2,328	2,328			4,766	-	
Christ Church Cressage DFC	K3073		P Wilson	11,408		5,872	-	-	-	5,872	2,835	3,037	3,037			5,536	-	
Church Preen DFC	K3590		P Wilson	14,799		9,584	-	-	-	9,584	5,463	4,121	4,121			5,215	-	
Clive Primary DFC	K3066		P Wilson	19,201		13,745	-	-	-	13,745	1,663	12,082	12,082			5,456	-	
Cockshutt Primary DFC	K3070		P Wilson	13,259		7,800	-	-	-	7,800	4,457	3,343	3,343			5,459	-	
Criftins Primary DFC	K3074		P Wilson	16,375		10,261	-	-	-	10,261	15,501	(5,240)	(5,240)			6,114	-	
Crowmoor Primary DFC	K3332		P Wilson	33,204		23,136	-	-	-	23,136	-	23,136	23,136			10,068	-	
Farlow DFC	K3030		P Wilson	46,531		41,926	-	-	-	41,926	-	41,926	41,926			4,605	-	
Gobowen Primary DFC	K3109		P Wilson	47,640		39,119	-	-	-	39,119	15,475	23,644	23,644			8,521	-	
Greenacres Primary DFC	K3360		P Wilson	6,086		6,086	-	-	-	6,086	6,086	0	0			-	-	
Hadnall Primary DFC	K3119		P Wilson	15,193		9,400	-	-	-	9,400	5,013	4,387	4,387			5,793	-	
Harlescott Jnr DFC	K3335		P Wilson	29,602		15,271	-	-	-	15,271	1,308	13,964	13,964			14,331	-	
Highley DFC	K3230		P Wilson	20,808		10,906	-	-	-	10,906	-	10,906	10,906			9,902	-	
Hinstock DFC	K3240		P Wilson	34,247		27,618	-	-	-	27,618	-	27,618	27,618			6,629	-	
Hodnet DFC	K3250		P Wilson	19,057		10,793	-	-	-	10,793	2,393	8,400	8,400			8,264	-	
Hope DFC	K3270		P Wilson	-		-	-	-	-	-	-	-	-					
John Wilkinson DFC	K3049		P Wilson	18,475		14,996	(5,673)	-	-	9,323	3,130	6,193	6,193			9,152	-	
Kinlet DFC	K3490		P Wilson	24,112		19,628	-	-	-	19,628	9,335	10,293	10,293			4,484	-	
Kinnerley DFC	K3051		P Wilson	17,565		11,936	-	-	-	11,936	5,159	6,777	6,777			5,629	-	
Longnor DFC	K3670		P Wilson	22,415		16,173	-	-	-	16,173	5,879	10,294	10,294			6,242	-	
Lower Heath DFC	K3690		P Wilson	17,558		11,376	-	-	-	11,376	5,452	5,924	5,924			6,182	-	
Market Drayton Infant DFC	K3850		P Wilson	-		-	-	-	-	-	-	-	-			-	-	
Market Drayton Junior DFC	K3841		P Wilson	2,380		2,380	-	-	-	2,380	2,380	(0)	(0)			-	-	
Martin Wilson DFC	K3400		P Wilson	23,539		13,612	-	-	-	13,612	16,943	(3,331)	(3,331)			9,927	-	
Meole Brace Primary DFC	K3342		P Wilson	33,385		19,080	-	-	-	19,080	-	19,080	19,080			14,305	-	
Mereside Primary DFC	K3341		P Wilson	17,668		13,749	(7,876)	-	-	5,873	-	5,873	5,873			11,795	-	
Minsterley DFC	K3187		P Wilson	18,765		11,207	-	-	-	11,207	12,332	(1,125)	(1,125)			7,558	-	
Morda DFC	K3190		P Wilson	17,156		9,373	-	-	-	9,373	655	8,718	8,718			7,783	-	
Moreton Say DFC	K3193		P Wilson	22,676		17,236	-	-	-	17,236	19,993	(2,757)	(2,757)			5,440	-	
Much Wenlock DFC	K3195		P Wilson	15,667		6,249	-	-	-	6,249	-	6,249	6,249			9,418	-	
Myddle DFC	K3197		P Wilson	12,115		6,307	-	-	-	6,307	-	6,307	6,307			5,808	-	
Newcastle Primary DFC	K3041		P Wilson	12,715		8,422	-	-	-	8,422	804	7,618	7,618			4,293	-	
Newtown DFC	K3080		P Wilson	26,992		19,382	-	-	-	19,382	13,144	6,238	6,238			7,610	-	
Norbury DFC	K3209		P Wilson	12,096		7,035	-	-	-	7,035	4,490	2,545	2,545			5,061	-	
Norton in Hales DFC	K3210		P Wilson	11,247		5,647	-	-	-	5,647	6,485	(838)	(838)			5,600	-	
Oakmeadow DFC	K3022		P Wilson	23,235		8,213	-	-	-	8,213	8,222	(9)	(9)			15,022	-	
Oswestry Meadows - DFC	K3220		P Wilson	19,052		7,128	-	-	-	7,128	-	7,128	7,128			11,924		
Oxon DFC	K3349		P Wilson	42,212		25,826	-	-	-	25,826	8,489	17,337	17,337			16,386	-	
Pant - Bryn Offa DFC	K3223		P Wilson	21,241		14,004	-	-	-	14,004	5,141	8,863	8,863			7,237	-	
Pontesbury DFC	K3224		P Wilson	21,561		11,357	-	-	-	11,357	4,467	6,890	6,890			10,204	-	
Rushbury Primary DFC	K3235		P Wilson	18,046		13,409	-	-	-	13,409	-	13,409	13,409			4,637	-	
Selattyn DFC	K3244		P Wilson	16,971		11,050	-	-	-	11,050	2,289	8,761	8,761			5,921	-	
Sheriffhales DFC	K3248		P Wilson	14,591		9,280	-	-	-	9,280	4,333	4,947	4,947			5,311	-	
Shifnal DFC	K3251		P Wilson	36,511		24,474	-	-	-	24,474	-	24,474	24,474			12,037	-	
St Andrews Nescliffe DFC	K3031		P Wilson	23,829		19,192	-	-	-	19,192	11,904	7,288	7,288			4,637	-	
St Andrews Shifnal DFC	K3249		P Wilson	40,356		28,079	-	-	-	28,079	4,984	23,095	23,095			12,277	-	
St Georges Junior DFC	K3352		P Wilson	7,960		7,960	-	-	-	7,960	-	7,960	7,960			-	-	
St Giles Shrewsbury DFC	K3353		P Wilson	24,752		11,608	-	-	-	11,608	-	11,608	11,608			13,144	-	
St John the Baptist, Ruyton X1 Towns DFC	K3236		P Wilson	16,959		10,653	-	-	-	10,653	10,336	317	317			6,306	-	
St Laurence Ludlow DFC	K3710		P Wilson	15,299		9,960	(4,238)	-	-	5,722	2,503	3,219	3,219			9,577	-	
St Lawrence Church Stretton DFC	K3610		P Wilson	31,045		19,250	-	-	-	19,250	19,250	-	-			11,795	-	
St Lucias Upton Magna DFC	K3271		P Wilson	50,576		44,201	-	-	-	44,201	37,000	7,201	7,201			6,375	-	
St Marys Albrighton DFC	K3013		P Wilson	14,846		6,036	-	-	-	6,036	3,096	2,940	2,940			8,810	-	
St Marys Shawbury DFC	K3245		P Wilson	24,064		15,203	-	-	-	15,203	10,634	4,569	4,569			8,861	-	
St Peters Wem DFC	K3285		P Wilson	-		-	-	-	-	-	-	-	-			-	-	
St Thomas & St Annes, Hanwood DFC	K3110		P Wilson	17,378		10,839	-	-	-	10,839	2,555	8,284	8,284			6,539	-	
Stiperstones DFC	K3303		P Wilson	42,733		38,328	-	-	-	38,328	13,832	24,496	24,496			4,405	-	
Stoke on Tern DFC	K3256		P Wilson	17,711		10,910	-	-	-	10,910	-	10,910	10,910			6,801	-	
Sundorne Infant DFC	K3356		P Wilson	25,703		12,033	-	-	-	12,033	659	11,374	11,374			13,670	-	

Scheme Description	Code	Portfolio Holder	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19 £	Spend to Budget Variance £	Slipped to 2019/20 £	RAG Status Scheme on Budget	RAG Status Scheme Progress	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
Trefonen DFC	K3265		P Wilson	18,109		10,775	-	-	-	10,775	7,317	3,458	3,458			7,334	-	
Trinity Ford DFC	K3052		P Wilson	14,564		6,845	-	-	-	6,845	14,429	(7,584)	(7,584)			7,719	-	
Welshampton DFC	K3284		P Wilson	30,631		25,352	-	-	-	25,352	8,850	16,502	16,502			5,279	-	
West Felton DFC	K3288		P Wilson	17,343		10,067	-	-	-	10,067	-	10,067	10,067			7,276	-	
Weston Lullingfields DFC	K3290		P Wilson	12,148		7,736	-	-	-	7,736	3,421	4,315	4,315			4,412	-	
Weston Rhyn DFC	K3291		P Wilson	14,579		6,870	-	-	-	6,870	6,870	-	-			7,709	-	
Whitchurch Infant DFC	K3293		P Wilson	22,268		8,814	-	-	-	8,814	8,506	308	308			13,454	-	
Whitchurch Junior DFC	K3292		P Wilson	44,958		31,012	-	-	-	31,012	13,147	17,865	17,865			13,946	-	
Wilfred Owen DFC	K3347		P Wilson	2,595		2,595	-	-	-	2,595	2,595	-	-			-	-	
Winstanstow DFC	K3297		P Wilson	23,712		18,914	-	-	-	18,914	20,844	(1,930)	(1,930)			4,798	-	
Woodfield Infant DFC	K3359		P Wilson	-		-	-	-	-	-	-	-	-			-	-	
Woore DFC	K3300		P Wilson	15,208		10,164	-	-	-	10,164	6,363	3,801	3,801			5,044	-	
Long Mountain DFC	K3302		P Wilson	24,825		18,863	-	-	-	18,863	545	18,318	18,318			5,962	-	
						1,162,333	**(37,068)**	**-**	**-**	**1,125,265**	**493,005**	**632,260**	**632,260**			**588,852**	**-**	**-**
Secondary Schools																		
Belvidere School DFC	K3430		P Wilson	60,502		18,163	-	-	-	18,163	12,323	5,840	5,840			42,339	-	
Community College Bishops Castle DFC	K3460		P Wilson	42,138		17,282	-	1,489	-	18,771	18,771	0	0			23,367	-	
Grove DFC	K3464		P Wilson	68,102		19,857	-	-	-	19,857	7,000	12,857	12,857			48,245	-	
Mary Webb DFC	K3414		P Wilson	57,681		29,547	-	-	-	29,547	31,610	(2,063)	(2,063)			28,134	-	
Meole Brace School DFC	K3433		P Wilson	86,622		25,120	-	-	-	25,120	22,043	3,077	3,077			61,502	-	
Thomas Adams DFC	K3452		P Wilson	113,938		43,255	-	-	-	43,255	36,637	6,618	6,618			70,683	-	
						153,224	**-**	**1,489**	**-**	**154,713**	**128,384**	**26,329**	**26,329**			**274,270**	**-**	**-**
Special Schools																		
Woodlands DFC	K3485		P Wilson	17,520		9,320	-	-	-	9,320	6,332	2,988				8,200	-	
TMBSS DFC	K3984		P Wilson	15,974		6,329	-	-	-	6,329	1,293	5,037	5,037			9,645	-	
						15,649	**-**	**-**	**-**	**15,649**	**7,624**	**8,025**	**5,037**			**17,845**	**-**	**-**
Devolved Formula Capital - re-profiling	K3000					(500,000)	-	-	-	(500,000)	-	(500,000)	(500,000)			500,000	-	
Devolved Formula Capital - Allocated by schools		Nicholas Bardsley	P Wilson	Ongoing		831,206	(37,068)	1,489	-	795,627	629,013	166,614	166,614	Green	Green	1,380,967	-	-
Total Learning & Skills						**6,590,972**	**-**	**46,151**	**(2,037)**	**6,635,086**	**5,100,028**	**1,535,058**	**1,535,058**			**15,535,747**	**3,364,358**	**1,000,000**
Total Children's Services						**6,590,972**	**-**	**46,151**	**(2,037)**	**6,635,086**	**5,100,028**	**1,535,058**	**1,535,058**			**15,535,747**	**3,364,358**	**1,000,000**
Total General Fund Capital Programme						**57,812,632**	**-**	**806,465**	**9,602**	**58,628,699**	**45,470,114**	**13,158,585**	**13,158,585**			**61,642,283**	**22,181,358**	**16,001,000**

Scheme Description	Code	Portfolio Holder	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	Actual Spend 31/03/19 £	Spend to Budget Variance £	Slipped to 2019/20 £	RAG Status Scheme on Budget	RAG Status Scheme Progress	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
Housing Revenue Account																		
Major Repairs Programme - Unallocated																		
Housing Major Repairs Programme	K5P01	Lee Chapman	A Begley	Ongoing	-	38,800	(38,800)	-	-	-	-	-	-	Green	Green	3,760,950	-	
Total						**38,800**	**(38,800)**	**-**	**-**	**-**	**-**	**-**	**-**			**3,760,950**	**-**	**-**
Major Repairs Programme - STAR Housing Contracts																		
STaR Rewires	K5R02	Lee Chapman	A Begley	1,577,978	1,269,102	308,876	-	-	-	308,876	249,464	59,412	59,412	Green	Green	-	-	
STaR Electrical Remedial Works	K5R04	Lee Chapman	A Begley	1,197,626	944,877	252,749	-	-	-	252,749	151,858	100,891	100,891	Green	Green	-	-	
STaR Roofing	K5R05	Lee Chapman	A Begley	366,028	220,966	145,062	-	-	-	145,062	50,615	94,447	94,447	Green	Green	-	-	
STaR Major Works	K5R06	Lee Chapman	A Begley	1,024,821	716,496	168,325	140,000	-	-	308,325	231,844	76,481	76,481	Green	Green	-	-	
STaR Kitchens & Bathrooms	K5R07	Lee Chapman	A Begley	3,659,194	2,559,635	999,559	100,000	-	-	1,099,559	1,094,126	5,433	5,433	Green	Green	-	-	
STaR Fire Safety Works	K5R08	Lee Chapman	A Begley	288,095	224,667	63,428	-	-	-	63,428	28,833	34,595	34,595	Green	Green	-	-	
STaR One Off Doors	K5R09	Lee Chapman	A Begley	58,533	58,478	-	55	-	-	55	55	-	-	Green	Green	-	-	
STaR External Doors	K5R11	Lee Chapman	A Begley	777,770	559,665	218,105	-	-	-	218,105	141,100	77,005	77,005	Green	Green	-	-	
STaR External Wall Insulation	K5R12	Lee Chapman	A Begley	909,696	895,574	14,122	-	-	-	14,122	862	13,260	13,260	Green	Green	-	-	
STaR Disabled Aids & Adaptations	K5R13	Lee Chapman	A Begley	1,172,423	862,588	309,835	-	-	-	309,835	279,568	30,267	30,267	Green	Green	-	-	
STaR Heating Insulation Works (Liberty)	K5R14	Lee Chapman	A Begley	3,553,313	2,649,596	903,717	-	-	-	903,717	316,680	587,038	587,038	Green	Green	-	-	
STaR Sewage Treatment Works	KSH01	Lee Chapman	A Begley	160,465	21,367	139,098	-	-	-	139,098	22,231	116,867	116,867	Green	Green	-	-	
STaR Asbestos Removal	KSH02	Lee Chapman	A Begley	470,112	363,369	76,743	30,000	-	-	106,743	104,421	2,322	2,322	Green	Green	-	-	
STaR Kitchens & Bathrooms Voids	KSH03	Lee Chapman	A Begley	909,572	644,500	265,072	-	-	-	265,072	247,119	17,953	17,953	Green	Green	-	-	
STaR Oswestry Castlefields Regeneration	KSH04	Lee Chapman	A Begley	185,840	162,968	22,872	-	-	-	22,872	618	22,254	22,254	Green	Green	-	-	
STaR Radon Testing & Implementation	KSH05	Lee Chapman	A Begley	5,000	-	5,000	-	-	-	5,000	499	4,501	4,501	Green	Green	-	-	
STaR Off Grid Properties Investment	KSH06	Lee Chapman	A Begley	1,243,500	376,520	866,980	-	-	-	866,980	529,142	337,838	337,838	Green	Green	-	-	
STaR Heating Works - Reactive	KSH07	Lee Chapman	A Begley	1,560,786	929,667	631,119	-	-	-	631,119	414,613	216,506	216,506	Green	Green	-	-	
STaR Communal Door Entry System Replacement	KSH08	Lee Chapman	A Begley	500,000	-	500,000	-	-	-	500,000	23,715	476,285	476,285	Green	Green	-		
STaR Garage Sites Refurbishments	KSH09	Lee Chapman	A Begley	300,000	5,031	294,969	-	-	-	294,969	72,711	222,258	222,258	Green	Green	-		
STaR Roof Replacement Works	KSH10	Lee Chapman	A Begley	340,000	-	340,000	-	-	-	340,000	124,310	215,690	215,690	Green	Green	-		
STaR Window Replacement Works	KSH11	Lee Chapman	A Begley	18,745	-	250,000	(231,255)	-	-	18,745	18,180	565	565	Green	Green	-		
STaR PSH Adaptations Grant	KSH12	Lee Chapman	A Begley	293,736	-	153,736	-	-	-	153,736	66,841	86,895	86,895	Green	Green	140,000		
Total						**6,929,367**	**38,800**	**-**	**-**	**6,968,167**	**4,169,406**	**2,798,761**	**2,798,761**			**140,000**	**-**	**-**
House re-purchases																		
Shared Ownership Buy-back - Rhea Hall	K5RP2	Lee Chapman	A Begley	-	-	-	-	-	-	-	-	-	-	Green	Green	-	-	
New Century Court Oswestry	K5RP3	Lee Chapman	A Begley	348,428	348,428	-	-	-	-	-	-	-	-	Green	Green	-	-	
Purchase - 14 Weston Close, Morda	K5RP4	Lee Chapman	A Begley	71,180	-	71,180	-	-	-	71,180	71,180	-	-	Green	Green	-	-	
25 Cottage Lane & 13 Gatacre Avenue Lease Buyback	K5RP5	Lee Chapman	A Begley	116,630	-	85,040	-	31,590	-	116,630	116,630	(0)	(0)	Green	Green	-		
Share Buy Back - 7 Gatacre Avenue	K5RP6	Lee Chapman	A Begley	18,690	-	18,690	-	-	-	18,690	18,690	(0)	(0)	Green	Green	-		
Lease Buy Back - 37 Brookfields, Weston Rhyn	K5RP7	Lee Chapman	A Begley	85,090	-	85,090	-	-	-	85,090	85,090	(0)	(0)	Green	Green	-		
Purchase - 18 Park View, Broseley	K5RP8	Lee Chapman	A Begley	90,090	-	90,090	-	-	-	90,090	90,090	(0)	(0)			-		
Share Buy Back - 23 Sefton Place, Oswestry	K5RP9	Lee Chapman	A Begley	51,200	-	51,290	-	(90)	-	51,200	51,200	-	-			-		
Purchase - 8 Meadow Drive, Shifnal	K5RPA	Lee Chapman	A Begley	118,090	-	118,090	-	-	-	118,090	118,090	(0)	(0)			-		
Total						**519,470**	**-**	**31,500**	**-**	**550,970**	**550,971**	**(1)**	**(1)**			**-**	**-**	**-**
New Build Programme																		
Housing New Build Programme - Phase 1	K5NB1	Lee Chapman	A Begley	7,126,349	7,119,304	7,045	-	-	-	7,045	5,329	1,716	1,716	Green	Green	-	-	-
Housing New Build Programme - Phase 2	KSNB2	Lee Chapman	A Begley	3,470,306	3,455,281	15,025	-	-	-	15,025	33,639	(18,614)	(18,614)	Red	Green	-	-	-
Housing New Build Programme - Phase 3	KSNB3	Lee Chapman	A Begley	672,350	660,975	11,375	-	-	-	11,375	9,883	1,492	1,492	Green	Green	-	-	-
Housing New Build Programme - Phase 4	KSNB4	Lee Chapman	A Begley	2,340,675	2,121,666	219,009	-	-	-	219,009	509,207	(290,198)	(290,198)	Red	Green	-	-	-
Housing New Build Programme - Phase 5	KSNB5	Lee Chapman	A Begley	4,002,977	-	302,977	-	-	-	302,977	226,426	76,551	76,551	Green	Green	3,700,000	-	-
Total						**555,431**	**-**	**-**	**-**	**555,431**	**784,483**	**(229,052)**	**(229,052)**			**3,700,000**	**-**	**-**
Total Housing Revenue Account						**8,043,068**	**-**	**31,500**	**-**	**8,074,568**	**5,504,861**	**2,569,707**	**2,569,707**			**7,600,950**	**-**	**-**
Total Capital Programme						**65,855,700**	**-**	**837,965**	**9,602**	**66,703,267**	**50,974,975**	**15,728,292**	**15,728,292**			**69,243,233**	**22,181,358**	**16,001,000**

Shropshire Council - Capital Programme 2018/19- 2021/22

APPENDIX 5

Financing	Revised Budget Q3 18/19 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 18/19 £	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
Self Financed Prudential Borrowing	**6,710,761**	**-**	**-**	**-**	**6,710,761**	**4,252,000**	**1,678,000**	**100,000**
Government Grants								
Department for Transport	24,351,430	-	-	-	24,351,430	17,901,000	14,901,000	14,901,000
- Safer Roads Fund	1,336,000	-	-	-	1,336,000	1,380,000	1,172,000	-
Ministry of Housing, Communities & Local Gov	584,507	-	449,546	-	1,034,053	-	-	-
Department for Health - Better Care Fund	2,910,494	-	-	-	2,910,494	417,397	-	-
Department for Health - HOLD Grant	358,615	-	-	-	358,615	1,800,000	-	-
Department for Education		-	-					
- Condition Capital Grant	2,729,655	-	-	-	2,729,655	2,000,000	1,500,000	1,000,000
- Basic Need Capital Grant	-	-	-		-	4,129,362	1,697,691	-
- Devolved Formula Capital	795,172	-	-	-	795,172	1,380,967	-	-
- Healthy Pupils Capital Grant	226,572	-	-	-	226,572	-	-	-
- Special Provision Funds	166,667	-	-	-	166,667	166,667	166,667	-
Department for Communities and Local Government								
- Community Housing Fund	517,296	-	-	-	517,296	-	-	-
- Early Years Capital Fund	140,643	-	-	-	140,643	31,465	-	-
Highways England	16,500	-	-	-	16,500	-	-	-
HCA - Travellers	-	-	-	-	-	-	-	-
HCA - New Build	70,000	-	-	-	70,000	300,000	-	-
BDUK - Broadband	3,414,111	-	-	-	3,414,111	6,004,396	269,756	-
Environment Agency	542,435	-	-	-	542,435	705,000	566,000	-
Local Enterprise Partnership (LEP) Fund	2,176,285	-	-	-	2,176,285	2,918,943	115,956	-
	40,336,382	**-**	**449,546**	**-**	**40,785,928**	**39,135,197**	**20,389,070**	**15,901,000**
Other Grants								
Historic England/English Heritage	8,908	-	-	-	8,908	-	-	-
Natural England	9,703	-	-	-	9,703	-	-	-
Rural Payments Agency	245,799	-	-	-	245,799	50,040	-	-
ERDF	758,610	-	24,867	-	783,477	-	-	-
	1,023,020	**-**	**24,867**	**-**	**1,047,887**	**50,040**	-	-
Other Contributions								
Section 106	1,681,243	-	182,036	11,639	1,874,918	**1,177,820**	-	-
Community Infrastructure Levy (CIL)	1,005,000	-	(13,213)	-	991,787	**1,710,000**	-	-
Other Contributions	554,678	-	50,313	(17,037)	587,954	**42,460**	-	-
	3,240,921	**-**	**219,136**	**(5,398)**	**3,454,659**	2,930,280	-	-
Revenue Contributions to Capital	**892,891**	**-**	**47,665**	**-**	**940,556**	**4,224,293**	**-**	-
Major Repairs Allowance	**6,330,684**	**-**	**31,590**	**-**	**6,362,274**	**3,900,950**	**-**	-
Corporate Resources (expectation - Capital Receipts only)	**7,321,041**	**-**	**65,161**	**15,000**	**7,401,202**	**14,750,473**	**114,288**	**-**
Total Confirmed Funding	**65,855,700**	**-**	**837,965**	**9,602**	**66,703,267**	**69,243,233**	**22,181,358**	**16,001,000**

Funding Changes - Quarter 4

APPENDIX 5

Budget Increase/Decrease	2018/19	2019/20	2020/21	2021/22	Details
Self Financed Prudential Borrowing					
Government Grants					
Department for Transport					
Ministery of Housing, Communities and Local	449,546				Housing Innovation Fund (HIF) award; awaiting formal offer letter.
Department for Education - DFC		880,967			Provisional notifiation of Develoved Formula Capital funding for 2019/20.
Total Government Grants	**449,546**	**880,967**			
Other Contributions					
External Contributions	50,313	25,423			LCVAP contribution to boiler replacement costs at Baschurch CE
ERDF	24,867				Sustainable Energy in Public Buildings (SEPuBu) Market Hall Solar PV project.
Section 106	182,036				Section 106 Developer Contributions funding capital programme.
CIL	(13,213)				Reduction in CIL contribution requirement for School Place Planning projects following confirmation of tender values.
Total Other Contributions	**244,003**	**25,423**			
Corporate Resources (expectation - Capital Receipts only)	**65,161**				Market Drayton Grant Scheme.
MRA	**31,590**				Major Repairs Allowance.
Revenue Contributions to Capital	47,665	10,000			Schools revenue contributions to various schemes.
Major Repairs Allowance					
Prudential Borrowing					
	837,965	**916,390**	**-**	**-**	
	-	-	-	-	
Re-profiling					
Place & Enterprise					
Natural and Historical Environment	11,639	(11,639)			Re-profiling of Natural & Historic Environment scheme (Old Rectory, Whitchurch Section 106) expedniture from 2019/20
Highways & Transport					
Planning Policy - Affordable Housing					
Environmental Maintenance - Depots					
LEP Schemes					
Broadband					
Gypsy Sites					
Adult Services					
Housing, Health and Wellbeing					
Public Health					
Empty Properties Incentive Grant					
Childrens Services					
Early Years					
Learning and Skills	(2,037)	2,037			Re-profiling of external contribution (£17,037) to boiler replacement programme Baschurch CE Primary expenditure to 2019/20. Re-profiling of Early Years scheme (£15,000) (The Ark Nursery, Pontesbury) expenditure from 2019/20.
Housing Revenue Account					
Major Repairs Programme					
New Build Programme					
	9,602	**(9,602)**	**-**	**-**	
	-	-	-	-	

Committee and date	Item
Audit Committee 27 June 2019	 Public

STATEMENT OF ACCOUNTS 2018/19

Responsible Officer James Walton
Email: james.walton@shropshire.gov.uk Tel: (01743) 258915

1. Summary

The 2018/19 Statement of Accounts has been prepared in line with the faster closedown timetable introduced in the Accounts and Audit Regulations 2015. Therefore, the Draft Statement of Accounts for 2018/19 has been certified by the Section 151 Officer as a true and fair view of the financial position by 31st May 2019.

The Draft Statement of Accounts for 2018/19 is appended to this report. This report provides an overview of the Accounts and provides details of the reasons for the most significant changes between the 2017/18 Accounts and the 2018/19 Accounts.

The final revenue outturn for 2018/19 is an underspend of £0.167m on a gross budget of £561.950m. The final capital outturn shows a spend of £50.975m, representing 76% of the revised budget.

The authority's earmarked reserves and provisions have increased by £3.790m. The general fund balance has increased by £0.226m. Delegated Schools' balances have decreased by £1.196m. Full details of the revenue and capital outturn position and the reserves, provisions and balances held by the authority are set out in a separate report on the Agenda for this meeting.

2. Recommendations

It is recommended that Members:

A. Receive and comment on the draft 2018/19 Statement of Accounts.

B. Receive and note the additional accounting policy included in the Statement of Accounts for 2018/19.

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1. Details of the potential risks affecting the balances and financial health of the Council are detailed within the report.

4. Financial Implications

4.1. This report considers the projected outturn position for the 2018/19 revenue budget and the implications on the level of general fund balances of any overspends or spending pressures.

5. Background

5.1. A copy of the 2018/19 Statement of Accounts is attached at Appendix 1. The external audit by Grant Thornton is currently underway and will be completed in July, after which the Statement of Accounts will be formally published and a final report brought to Full Council. Any material changes as a result of the audit will be reported to the Audit Committee and Council at the earliest opportunity once the Accounts have been signed off by the External Auditor.

5.2. The statutory deadline for the formal publication of the audited 2018/19 Statement of Accounts is 31 July 2019.

6. Statement of Accounts

6.1. The purpose of the Statement of Accounts is to give electors, those subject to locally levied taxes and charges, Members of the Authority, employees and other interested parties clear information about the Authority's finances. The format of the Statement of Accounts is governed by the "Code", to make the document as useful as possible to its audience and so as to make meaningful comparisons between authorities possible. The Code requires:

- All Statement of Accounts to reflect a common pattern of presentation, although at the same time not requiring them to be identical.
- Interpretation and explanation of the Statement of Accounts to be provided.
- The Statement of Accounts and supporting notes to be written in plain language.

6.2 All of the above has been taken into consideration when producing the authority's own Statement of Accounts. These accounts comprise various sections and statements, these are all briefly explained below:

- **Narrative Report** – this provides an explanation of the authority's financial position for 2018/19 and details the performance of the Council during the financial year.

- **The Statement of Responsibilities** – this details the responsibilities of the authority and the Section 151 Officer concerning the authority's financial affairs and the actual Statement of Accounts.

- **The Audit Opinion and Certificate** – this is provided by the External Auditor following the completion of the annual audit, this document is therefore draft pending the outcome of the audit.

- **The Core Financial Statements,** which comprises:

  - **The Movement in Reserves Statement** – this shows the movement in the year on the different reserves held by the authority which is analysed into 'usable reserves' and other reserves.

  - **The Comprehensive Income and Expenditure Statement** – this is fundamental to the understanding of a Council's activities. It brings together all of the functions of the Council and summarises all of the resources that the Council has generated, consumed or set aside in providing services during the year. As such, it is intended to show the true financial position of the Council, before allowing for the concessions provided by statute to raise council tax according to different rules and for the ability to divert particular expenditure to be met from capital resources. The 2018/19 Income and Expenditure Statement reports a deficit for the year of £74.240, however, this is not cash as this takes into account a number of significant theoretical amounts for matters relating to pensions and use of assets. The actual movement on the General Fund Balance was an increase of £0.226m which reflects the year end underspend on the revenue budget.

  - **The Balance Sheet** – this is fundamental to the understanding of the authority's financial position as at the 31 March 2019. It shows the balances and reserves at the authority's disposal, long term liabilities and the fixed and net current assets employed in its operations, together with summarised information on the fixed assets held. As can be seen from the balance sheet the authority's total equity amounts to £365.289m, an increase of £74.240 which is analysed in the Movement in Reserves Statement. Assets have decreased as a result of an increase in the value of the Pensions Liability as a result of an increase in the value of pension liabilities as a result of changes in actuarial assumptions. It should be noted that the equity value in the balance sheet does demonstrate that the authority's assets exceed liabilities and therefore represents a very healthy financial position.

  - **The Cash Flow Statement** – this consolidated statement summarises the authority's inflows and outflows of cash and cash equivalents arising from transactions with third parties for revenue and capital purposes. Cash is defined for the purpose of this statement, as cash in hand and deposits repayable on demand less overdrafts repayable on demand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash.

- **The Notes to the Core Financial Statements,** which provides supporting and explanatory information on the Core Financial Statements and includes the Council's accounting policies.

- **The Group Accounts** – these are prepared to account for the Council's share in IP&E Limited, Shropshire Towns & Rural Housing, West Mercia Energy, Jersey Property Unit Trust and SSC No.1 Limited.

- **The Pension Fund Accounts** – the Shropshire County Pension Fund is administered by this Authority, however, the pension fund has to be completely separate from the Authority's own finances. This statement and supporting notes are an extract from the pension fund annual report and summarises the financial position of the Shropshire County Pension Fund, including all income and expenditure for 2018/19 and assets and liabilities as at 31 March 2019.

- **The Housing Revenue Account** – the authority is required to account separately for local authority housing provision, as defined in the Local Government and Housing Act 1989 as amended. The account details the income and expenditure relating to the local authority housing provision and details of the movement on the Housing Revenue Account Balance for the year.

- **The Collection Fund Account** - this account shows the transactions of the billing authority in relation to non-domestic rates and the council tax and illustrates how these have been distributed to preceptors and the General Fund.

6.3 The format of the Statement of Accounts is governed by The Code of Practice on Local Authority Accounting 2018/19, published by CIPFA (the Code). For 2018/19 the main changes to the Code are as detailed below:

- Adoption IFRS15 Revenue from Contracts with Customers
- Reporting of Debtors and Creditor has been amended to ensure reporting of detail fits local circumstances.
- New requirements as detailed in IFRS9 Financial Instruments.

7. Accounting Policies

7.1 The accounting policies that the Council uses to determine the treatment of items within the Statement of Accounts are detailed in Note 1 to the Core Financial Statements. Amendments to the accounting policies have been made to reflect the new requirements relating to revenue from contracts with customers and the new accounting standards for financial instruments.

8. Analytical Review

8.1 An analytical review has been carried out on each element of the Draft Statement of Accounts, this is a final check that provides assurance that the Statement of Accounts is free of material errors and misstatements. The analytical review focuses on figures within the Statement of Accounts that have changed materially when compared with the previous year's accounts. For 2018/19 the materiality threshold (i.e. the level of change between 2017/18 and 2018/19) used was 10% or £8m, which is used to ensure that all questions that the external auditors are likely to raise have been reviewed and explanations

are readily available. Details of the significant changes between the two years are shown in Appendix 2.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information) CIPFA's Code of Practice (Code) on Local Authority Accounting CIPFA/SOLACE guidance on the Annual Governance Statement Revenue and Capital Budget 2018/19
Cabinet Member (Portfolio Holder) Peter Adams, Chair of Audit Committee
Local Member All
Appendices 1. Draft Statement of Accounts 2018/19 (Unaudited) 2. Analytical Review of Statement of Accounts

Analytical Review of Shropshire Council's Statement of Accounts for 2018/19

1. The analytical review for 2018/19 highlighted a number of areas where there were material changes, the most significant are detailed below along with an explanation of why these changes have occurred:

- **Comprehensive Income and Expenditure Statement, Expenditure on Continuing Services – Adult Services (Expenditure)**

	2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
Expenditure	142,885	132,711	10,174	8%

Within Adults Services there has been an increase in purchasing costs as a result of over 2,000 new clients in 2018/19 costing in the region of £8.639m and other inflationary pressures.

- **Comprehensive Income and Expenditure Statement, Expenditure on Continuing Services – Children Services**

	2018/19 £000	2017/18 £000	Decrease (Value) £000	Decrease (%)
Expenditure	198,979	213,177	(14,198)	7%
Income	(143,422)	(158,167)	14,745	9%

A reduction in grant income in relation to Schools (Dedicated Schools Grant and Pupil Premium Grant) has resulted in a reduction in income and a corresponding reduction in expenditure.

- **Comprehensive Income and Expenditure Statement, Expenditure on Continuing Services – Commercial Services**

	2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
Expenditure	29,253	8,817	20,436	232%
Income	(12,354)	(5,100)	(7,254)	142%

Income and expenditure in relation to the running costs and rents received for the Shopping Centres has increased in 2018/19 compared to 2017/18. The interest in the Shopping Centres was acquired on 24th January 2018 therefore only a part year of income and expenditure was included in the 2017/18 account compared to a full year in 2018/19. Following a revaluation of the Shopping Centres as at 31st March 2019 a revaluation loss of £11.476m has been included within expenditure in Commercial Services.

- **Comprehensive Income and Expenditure Statement, Expenditure on Continuing Services – Workforce and Transformation**

	2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
Expenditure	5,740	3,043	2,697	89%

Increased expenditure in relation to the Digital Transformation programme.

- **Comprehensive Income and Expenditure Statement, Expenditure on Continuing Services – Corporate Services**

	2018/19 £000	2017/18 £000	Decrease (Value) £000	Decrease (%)
Expenditure	(5,722)	4,275	(9,997)	234%

Corporate Services include any past service costs, curtailments or settlements made in relation to pensions. In 2017/18 the net of these items was -£3.751m in comparison to -£13.236m in 2018/19. The decrease is because of income settlements increasing by £10.629m in 2018/19 due to several academies transferring with a pension deficit. Curtailment costs increased by over £1m as a result of increased redundancy and efficiency retirement costs resulting in a net movement of £9.467m.

	2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
Income	(7,133)	(4,118)	3,015	73%

Corporate Services income includes a number of corporate grants such as Education Services grant and Improved Better Care Funding (iBCF). The net movement on these grants is an increase of £3m.

- **Comprehensive Income and Expenditure Statement - Other Operating Expenditure**

2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
81,827	29,715	52,112	175%

Losses on disposal of non-current assets have increased from £21.15m in 2017/18 to £73.35m in 2018/19. The major element of this loss was made up of Schools that transferred to Academies on 125 year leases and were written out of the Council balance sheet. In 2017/18, six schools (all Primary) previously on the Council balance sheet transferred to Academies/Diocese ownership, whereas in 2018/19, eleven schools (7 Primary, 4 Secondary) previously on the Council balance sheet transferred to Academies ownership.

- **Comprehensive Income and Expenditure Statement – Financing and Investment Income and Expenditure**

2018/19	2017/18	Increase (Value)	Increase (%)

£000	£000	£000	
30,986	25,689	5,297	21%

(Income) and expenditure in relation to investment properties and changes in their fair value decreased from (£9.687)m in 2017/18 to (£3.834)m in 2018/19. The net income from investment properties stayed broadly static (£0.949m to £0.974m), the movement was in the capital charges for changes in value of investment properties, for which the movement was £2.860m in 2018/19, compared to £8.737m in 2017/18. This followed revaluations of a number of investment properties in 2017/18 and in particular significant revaluations to 3 land holdings related to change in use.

- **Comprehensive Income and Expenditure Statement – Taxation and Non Specific Grant Income**

2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
(284,993)	(274,507)	(10,486)	4%

Council Tax income has increased by £12.609m due to the increase in the taxbase and the 5.99% increase in the precept. Income generated from Business Rates increased by £3.086m as a result of an increase in the gross rateable value and an increase in the multiplier. These increases have been partially offset by reductions in non-ringfenced government grants such as a reduction of £6.117m in the Revenue Support Grant.

- **Comprehensive Income and Expenditure Statement, Surplus or Deficit on Revaluation of Property, Plant and Equipment Assets**

2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
(39,431)	(13,292)	(26,139)	197%

This figure is the value of upward or downward revaluations that are debited/credited directly to the Revaluation Reserve, rather than to service revenue accounts. In 2018/19 the surplus was £26m greater than in 2017/18. This was mainly in relation to upward revaluations of assets in 2018/19, with the value of upwards revaluations £26.268m higher than in 2017/18. These changes reflect the movement in property values for those revalued each year, compared to their last valuations and the properties revalued each year (valuations are done on a rolling programme) and whether there has been a previous revaluation loss charged to service revenue accounts, which can be reversed if there is a subsequent revaluation increase.

- **Comprehensive Income and Expenditure Statement, Remeasurement of the Net Defined Benefit Liability**

2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
51,028	(40,500)	91,528	226%

Remeasurement of the Net Defined Benefit Liability has changed from a gain of £40.500m in 2017/18 to a loss of £51.028m in 2018/19. The total swing of £91.528m is made up of three elements. The first is a change in liabilities as a result of a change in financial assumptions used by the actuary. This has resulted in a remeasurement loss of £63.336m in 2018/19 compared to a remeasurement gain of £47.04m in 2017/18. The second element is an Experience loss on liabilities of £14.365m. The third element relates to an increase in the return on plan assets (£33.209m). The increase in liabilities is due to a reduction in the discount rate of 0.2% and an increase in the CPI inflation assumption by 0.1%. Assets have increased due to investment markets showing rises over the year.

- **Balance Sheet Non Current Assets – Property, Plant and Equipment**

2018/19 £000	2017/18 £000	Decrease (Value) £000	Decrease (%)
1,069,254	1,104,614	(35,360)	3%

This reflects the overall movement in property, plant and equipment. The movement consists of additions, disposals, revaluations (upwards and downwards), depreciation charges and impairments. Although there has been a net revaluation increase in 2018/19 and £39m of additions, the value of assets written out of £75m has resulted in a net decrease in the value of property, plant and equipment held on the balance sheet. The high value of disposals is mainly due to the transfer of 11 schools to academies in 2018/19.

- **Balance Sheet Non Current Assets – Intangible Assets**

2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
4,051	34	4,017	11669%

In 2018/19 a number of schemes within the Digital Transformation Programme have gone live resulting in an increase in intangible assets.

- **Balance Sheet Long Term Assets – Long Term Investment**

2018/19 £000	2017/18 £000	Decrease (Value) £000	Decrease (%)
40,920	52,605	(11,685)	22%

In 2017/18 Shropshire Council purchased an investment in the Charles Darwin, Pride Hill and Riverside Shopping Centres. A valuation of the investment was carried out as at 31st March 2019 and this resulted in a reduction in the value of the investment of £11.476m due to changes in the retail sector over the last 12 months.

- **Balance Sheet Current Assets – Current Held for Sale Investment Properties**

2018/19	2017/18	Increase (Value)	Increase (%)

£000	£000	£000	
3,822	0	3,822	100%

In 2017/18 Shropshire Council had no assets which fell into the category of Current Held for Sale Investment Properties. In 2018/19 an area of land owned by Shropshire Council has been transferred into this category from Investment Properties as an agreement has been entered into to sell this area of land in the next 12 months.

- **Balance Sheet Current Assets – Assets Held for Sale**

2018/19 £000	2017/18 £000	Decrease (Value) £000	Decrease (%)
1,432	3,027	(1,595)	53%

During 2018/19 disposals were completed for a number of Held for Sale assets.

- **Balance Sheet Current Assets – Short Term Investment**

2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
64,910	47,921	16,989	35%

Balance Sheet Current Assets – Cash and Cash Equivalents

2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
64,060	47,042	17,018	36%

Balance Sheet Current Assets – Bank Overdraft

2018/19 £000	2017/18 £000	Decrease (Value) £000	Decrease (%)
(7,005)	(14,625)	7,620	52%

The increase in short term investments needs to be combined with the balances of cash and cash equivalents and the bank overdraft to explain the true difference in cash balance during the two years.

There are five elements that detail the difference in cash:
i. Revenue outturn (movement in usable reserves)
ii. Capital
iii. Movement in debtors/creditors
iv. New loans provided/repaid
v. Early Pension Payment

i. There was a £3.702m increase in usable reserves in 2018/19 due to a number of factors including; the Revenue Outturn delivering an underspend, an increase in the Housing Revenue Account reserve and planned contributions to earmarked reserves.

ii. The Capital Grant unapplied account has increased by £12.972m due to CIL payments of £5.764m received in 2018/19 and the receipt of a number of grants totalling £9.298m which have not been spent. Capital grants receipts in advance has increased by £2.251m due to early receipt of the 2019/20 Pothole Action Fund allocation and receipt of Basic Need Capital Grant.

iii. Debtors reduced during 2018/19 by £4.344m due to a decrease in amounts owed by Central Government bodies in relation to grants and a decrease in general debtors. Central Government creditors increased by £2.982m due to an increase in Business Rates due to Central Government. Creditors in contract increased by £9.718m. Due to the transfer to the new financial system invoices were unable to be processed in the last 2 weeks of March, this resulted in an increase in the number of creditor accruals processed. NHS Bodies and other Local Authority creditors reduced by £3.260m.

iv. Cash will have reduced due to the repayment of borrowing that the Council has undertaken of £6.400m and increased by the value of a short term loan taken out in 2018/19 for £4.840m.

v. In 2017/18 Shropshire Council paid the lump sum deficit to the Pension Fund in relation to the next 3 years in order to achieve financial savings. The value of this early payment relating to the year 2018/19 is £7.374m.

- **Balance Sheet Current Assets – Inventories**

2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
702	482	220	46%

Inventories have increased due to an increase in Salt stock. The balance of salt stock held at the end of 2017/18 had reduced as a result of the severe weather conditions in February and March 2018. Purchases were made to replenish the level of stock held and less salt was used in 2018/19 as a result of a less severe winter.

- **Balance Sheet Current Liabilities – Deferred Income**

2018/19 £000	2017/18 £000	Decrease (Value) £000	Decrease (%)
(1,101)	(2,175)	(1,074)	49%

£2.4m was placed in an escrow in 2017/18 relation to rent guarantees for the shopping centre. This was included in temporary investments and deferred income. As the funding is drawn down into revenue the deferred income is reduced. £1.074m has been drawn down in relation to 2018/19 resulting in £1.101m remaining on the balance sheet as deferred income.

- **Balance Sheet Current Liabilities – Short Term Borrowing**

2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
(10,873)	(8,457)	(2,416)	29%

During 2018/19 Shropshire Council took out a temporary loan for £4.840m, repaid loans to the value of £6.400m and loans to the value of £4m were transferred from long term to short term borrowing resulting in a net increase in Short Term Borrowing.

- **Balance Sheet Current Liabilities – Short Term Creditors**

2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
(76,402)	(66,962)	(9,440)	14%

Central Government creditors increased as a result of an increase in the Business Rates due to Central Government. General creditors also increased as a result of the closure of the old financial system mid-March, this resulted in an increase in the number of creditor accruals processed.

- **Balance Sheet Current Liabilities – Short Term Provisions**

2018/19 £000	2017/18 £000	Decrease (Value) £000	Decrease (%)
(2,167)	(3,453)	1,286	37%

Short term provisions have decreased by £1.286m. The accumulated absences provision has reduced by £0.722m. This provision is the estimated liability the Council would be required to cover for annual leave reimbursements for leavers. This calculation includes an estimate for Teachers and as a result of the transfer of Schools to academies in 2018/19 this liability has reduced. An environmental maintenance provision was set up in 2017/18 to retain a balancing payment due to the outgoing highways contractors providing that the work completed has been done to a satisfactory quality. Payments of £0.461m have been released from this provision in 2018/19.

- **Balance Sheet Current Liabilities – Grant Receipts in Advance Revenue**

2018/19 £000	2017/18 £000	Decrease (Value) £000	Decrease (%)
(3,180)	(4,065)	885	22%

The difference of £0.885m is primarily due to the Council applying the Dedicated Schools Grant (DSG) in excess of the amount received in the year in order to utilise the brought forward balance and therefore reducing the carried forward balance by £0.531m. Other grants received in previous years such as One Public Estate and Bus Service Operators Group have also been spent in 2018/19 further reducing the balance held in the Grant Receipts in Advance account.

- **Balance Sheet Current Liabilities – Grant Receipts in Advance Capital**

2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
(2,779)	(528)	(2,251)	427%

The increase is due to receipt of grants in 2018/19 which are not due to be spent until future years. The main grants that this relates to are:

- Department for Transport Pothole action fund - £0.908m
- Department for Education Basic Need Grant - £1.151m

- **Balance Sheet Long Term Liabilities – Pensions Liability**

2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
(478,802)	(419,636)	(59,166)	14%

Pensions Liability has increased by £59.166m in 2018/19 due to an increase in the value of pension liabilities as a result of a decrease in the discount rate during the year of 0.2% and an increase in the CPI inflation assumption of 0.1%.

- **Balance Sheet Long Term Liabilities – Provisions**

2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
(10,244)	(7,970)	(2,274)	29%

Long Term Provisions have increased by £2.274m due to an increase in the Business Rates appeals provision. Appeals from the 2017/18 and 2018/19 year are still to be resolved therefore the appeals provision has increased to take account of potential settlements.

- **Balance Sheet Long Term Liabilities – Usable Reserves**

2018/19 £000	2017/18 £000	Increase (Value) £000	Increase (%)
135,714	119,315	16,399	14%

The Capital Grants Unapplied Account has increased by £12.972m. This is due to additional grants being received in 2018/19 which have not been spent and as there are no conditions attached to them they have been transferred to the Capital Grants Unapplied account. This includes devolved formula capital of £0.700m, pothole action fund of £3.721m, safer roads fund of £3.823m and CIL of £5.764m. Earmarked Reserves have increased by £1.887m as a result of contributions to the development reserve for future projects. The Housing Revenue Account reserve has increased by £1.589m due to a lower than planned revenue contribution to capital due to slippage in the capital programme.

- **Balance Sheet Financing – Unusable Reserves**

2018/19	2017/18	Decrease (Value)	Decrease (%)

£000	£000	£000	
229,575	320,214	(60,639)	28%

The decrease in Unusable Reserves is due to a decrease in the Capital Adjustment Account and Pensions Reserve and an increase in the Collection Fund Adjustment Account and the Revaluation Reserve. The Revaluation Reserve increased by £9.735m in 2018/19 which reflects the movement in asset values and disposals. The most significant areas of change were increases in upward valuations and the increase in the assets disposed/derecognised with balances in the Revaluation Reserve mainly the 11 Schools transferred to Academies. The Capital Adjustment Account has decreased by £49.659m in 2018/19 compared to movement of £12.2m in 2017/18. The movement reflects the movement in asset values, disposals and capital expenditure financing in 2018/19. The most significant area of change was the amount of non current assets written off on disposal or sale, reflecting the greater value of assets written off (again reflecting Academy Schools). There was also less revenue and capital receipt financing, the latter reflecting the reduced level of capital receipts generated in 2018/19 compared to 2017/18. Movements in the market value of Investment Properties was also less, as reported in the movement in Financing and Investment Income and Expenditure. In 2018/19 there was also a revaluation loss on Long Term Investments of £11.476m in relation to the revaluation of the Shopping Centres investment. The Collection Fund Adjustment Account has increased by £3.379m as a result of the increased surplus on the Collection Fund at the end of 2018/19. The Pensions reserve has moved by £51.792m as a result of an increase in pension liabilities due to a decrease in the discount rate and an increase on the CPI inflation assumption. The movement to the Pension Reserve is different to the pension's liability above due to the early pension payment.

2. The analytical review will be part of the papers to be considered by the external auditors during the annual audit and will be used in forming their opinion on the Statement of Accounts that will be reported in the Audit Opinion and Certificate.

Committee and Date	Item
Audit Committee 27 June 2019 1:30am	Public

ANNUAL REVIEW OF INTERNAL AUDIT: QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME (QAIP)

Responsible Officer James Walton
e-mail: james.walton@shropshire.gov.uk Tel: 01743 258915

1. Summary

1.1 The Accounts and Audit Regulations 2015 (5) require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, considering Public Sector Internal Auditing Standards (PSIAS) or guidance.

1.2 As part of the Service's Quality Assurance and Improvement Programme (QAIP), this report provides the results of a self-assessment of the Internal Audit Service against the requirements of the Public Sector Internal Audit Standards. Compliance with these standards demonstrates an effective Internal Audit Service. Audit Committee is required to review this report and its findings.

1.3 This review should be read in conjunction with the Annual Internal Audit report, found elsewhere on this agenda. When read together the two reports demonstrate the effectiveness of internal audit. The update of the self-assessment has confirmed that the Council continues to operate an effective Internal Audit function. There are no areas where the Internal Audit function is not complying with the Code and, whilst there are areas of partial compliance, these are not considered significant and do not compromise compliance with the code.

2. Recommendations

2.1 The Committee is asked to consider and endorse, with appropriate comment, the conclusion that the Council employs an effective internal audit to evaluate its risk management, control and governance processes that complies with the principles of the Public Sector Internal Audit

Standards and has planned improvement activities to work towards full compliance where appropriate.

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1 The Accounts and Audit Regulations 2015 (section 5) require a relevant authority to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, considering public sector internal auditing standards (PSIAS) or guidance.

3.2 Under the PSIAS, Internal Audit's mission is, 'to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.' Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Thereby providing assurances on the Council's internal control systems by identifying areas for improvement or potential weaknesses and engaging with management to address these in respect of current systems and during system design. Internal Audit will also continue to align its work with the Strategic Risk Register.

3.3 The use of a consistent framework for internal audit across the UK public sector has benefits for both partnership working and for internal auditors who work across different parts of the public sector. The standards are designed to drive improvement and lead to better public finance arrangements. Under 1310 of the PSIAS there is a requirement for Internal assessments which include:

- Ongoing monitoring of the performance of the internal audit activity; and
- Periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices.

3.4 Ongoing monitoring is an integral part of the day-to-day supervision, review and measurement of the internal audit activity and is incorporated into the routine policies and practices used to manage the activity. It uses processes, tools and information considered necessary to evaluate conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards.

3.5 This Report provides Members with details of an annual assessment conducted to evaluate conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards. It is completed by the

Head of Audit and discussed with the Section 151 Officer before the results and improvement plan are reported to Audit Committee.

3.6 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998. There are no direct environmental, equalities or climate change consequences of this proposal.

4. Financial Implications

4.1 The Internal Audit service is provided within approved budgets. There may be a small cost to enable an external assessment of Internal Audit's conformance with the PSIAS in compliance with Standard 1312 (external inspection) to be conducted. The Chairman, Section 151 Officer and the Head of Audit have delegated authority to consider the approach/scope of the assessment and agree this with an external assessor and report back to the Committee.

4.2 The provision of an effective Internal Audit can help deliver key messages to the Council on its systems of internal control, governance and risk management in the most efficient and economical way.

5. Background

5.1 The Public Sector Internal Audit Standards (PSIAS) are mandatory for all principal local authorities and were updated in 2017. They consist of:

- Mission of Internal Audit;
- Definition of Internal Auditing;
- Core Principles for the Professional Practice of Internal Auditing;
- Code of Ethics; and
- Standards for the Professional Practice of Internal Auditing.

5.2 The 'Mission' of Internal Audit is, 'to enhance and protect organisational value by providing risk based and objective assurance, advice and insight'. Internal Audit's effectiveness is demonstrated when the following principles are present and operating effectively.

- Demonstrates integrity
- Demonstrates competence and due professional care
- Is objective and free from undue influence
- Aligns with the strategies, objectives, and risks of the organisation
- Is appropriately positioned and adequately resourced
- Demonstrates quality and continuous improvement
- Communicates effectively
- Provides risk based assurance
- Is insightful, proactive and future focused
- Promotes organisational improvement.

5.3 In April 2019, CIPFA updated the Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards. Internal Audit is reviewed using this guidance for compliance with the Standards, the results of which are summarised in **Appendix A**.

5.4 The PSIAS aim to promote further improvement in the professionalism, quality and effectiveness of internal audit across both the public and private sectors. They reaffirm the importance of robust, independent and objective internal audit arrangements to provide the Head of Finance, Governance and Assurance (the Section 151 Officer) with the key assurances he needs in both managing the financial affairs of the Council and producing the annual governance statement.

5.5 In complying with the PSIAS, Shropshire Council can provide assurances to Internal Audit's external customers of the teams' professionalism, quality and effectiveness.

5.6 **Appendix A** provides an update against the previously approved improvement plan. Most standards are complied with totally. Where there are areas of non-compliance these are detailed below for members to consider further. Members should note that there are no new areas of none or partial compliance. Where further improvements have been identified in areas of compliance these, along with the actions outlined below, appear in the improvement plan within the appendix, to ensure continuing conformance to the standards.

Areas of potential non-conformance

5.7 There is no change to the areas of potential conflict from previous years, the details of which are repeated here:

5.8 **Code of Ethics - Objectivity Standard:** Do internal auditors display objectivity by not taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment?

Finding: It is felt important that internal audit is consulted during system, policy or procedure development. Auditors have been assigned to business review projects where there is a possibility that internal control systems will be affected. This is an opportunity for internal audit to add value and strengthen internal control arrangements. Where specific auditors have been involved in providing system advice they will be excluded from carrying out the audit as far as possible i.e. another auditor would be allocated to the audit. If this is not possible, it is felt the benefit of using the experience of developing controls and procedures outweighs concerns of independence and the review process will help to ensure that the review and report remain objective and evidenced based.

There is therefore **partial** conformance. This is not considered to be to the detriment of the principles of auditing and the independent review process helps to mitigate any risks, therefore no actions are proposed.

5.9 **1100 Independence and Objectivity Standard**: Does the Chief Audit Executive (CAE) confirm to the board, at least annually, that the internal audit activity is organisationally independent? The following examples **can be** used by the CAE when assessing the organisational independence of the internal audit activity: The board:

Approves the internal audit budget and resources plan.

Finding: It is the responsibility of the Section 151 Officer to ensure that the budget and resources allocated to internal audit are sufficient to ensure delivery of the plan and to report any concerns to the Audit Committee.

Approves decisions relating to the appointment and removal of the CAE

Finding: It is the responsibility of the Section 151 Officer to ensure that the budget and resources allocated to internal audit are sufficient to ensure delivery of the plan, including the appointment and removal of the CAE, and to report any concerns to the Audit Committee.

Therefore, **partial** conformance: Governance requirements in the UK public sector would not generally involve the board approving the CAE's remuneration specifically. The underlying principle is that the independence of the CAE is safeguarded by ensuring that their remuneration or performance assessment is not inappropriately influenced by those subject to audit. In the UK public sector, CIPFA advise that this can be achieved by ensuring that the Chief Executive (or equivalent) undertakes, countersigns, contributes feedback to or reviews the performance appraisal of the CAE and that feedback is also sought from the Chair of the Audit Committee, this is completed for Shropshire Council.

The Section 151 Officer also seeks, as he deems appropriate, opinions from the Chairs of externally serviced Audit Committees and their key officers on the Head of Audit's performance for use in her appraisal.

5.10 The above are not considered significant variations in respect of the principles of the PSIAS to require specific mention in the Annual Governance statement.

5.11 In addition to the internal assessment, an external assessment was conducted on and reported by CIPFA in February 2017. The opinion of CIPFA was that Shropshire Council Audit Services, 'generally conforms to the requirements of the Public Sector Internal Audit Standards and to the requirements of the Local Government Application Note'. All

recommended improvements agreed following the external assessment, which were of a minor nature, were adopted within the agreed timeframes. An external assessment will next be due in 2020/21.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information) ➢ Accounts and Audit Regulations 2015 ➢ Public Sector Internal Audit Standards 2017 ➢ Local government application note for the UK Public Sector Internal Audit Standards CIPFA 2019 ➢ Completed Conformance Checklist 2018/19 and supporting evidence ➢ Internal Audit Quality Assurance Improvement Programme – External assessment report, Audit Committee, February 2017.
Cabinet Member (Portfolio Holder) Peter Nutting, Leader of the Council and Peter M Adams, Chairman of Audit Committee
Local Member N/A
Appendix A: Public Sector Internal Audit Standards conformance assessment and improvement plan

Appendix A

Public Sector Internal Audit Standards June 2019 conformance assessment and improvement plan

Standard	Conformance	Observations and actions proposed	When?	Who?
Mission of Internal Audit	Yes			
Definition of Internal Auditing	Yes			
Core Principles for the Professional Practice of Internal Auditing	Yes			
Code of Ethics	Yes			
Integrity	Yes	4.1 Plan ongoing compliance updates with PSIAS at team meetings.	Quarterly	Head of Audit
Objectivity	Partially	See paragraph 5.8 in report.		
Confidentiality	Yes	4.3 Ensure all filing conforms with retention guidelines	Ongoing	Seniors
Competency	Yes	4.4 Set dates for appraisals.	October 2019	Seniors
Attribute Standards				
1000 Purpose, Authority and Responsibility	Yes			
1100 Independence and Objectivity	Yes			
1110 Organisational Independence	Partially	See paragraph 5.9 in report.		
1111 Direct Interaction with the Board	Yes			
1120 Individual Objectivity	Yes			
1130 Impairment to Independence or Objectivity	Yes			

Standard	Conformance	Observations and actions proposed	When?	Who?
1200 Proficiency and Due Professional Care	Yes			
1210 Proficiency	Yes	5.3.5 When fully staffed the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities. Recruitment is currently underway to fill vacancies. 5.3.8 Ongoing continuous development of IT skills across the audit team and move the type of audit review conducted by auditors to a more technical one to reflect digital transformation plans. 5.3.9 Review the use of CAATS to assist data transfer/ cleansing and reconciliation of systems.	July 2019 March 2020 March 2020	Head of Audit Principal Auditor (IT) Principal Auditor (IT)
1220 Due Professional Care	Yes			
1230 Continuing Professional Development	Yes			
1300 Quality Assurance and Improvement Programme	Yes	5.4.1.1 Ongoing review of the Audit manual and the quality review processes to ensure complete compliance with the standards and suitable guidance for staff. 5.4.1.2 Complete this assessment and continue to report to Audit Committee annually along with a high-level improvement programme.	March 2020 June 2019	Head of Audit Seniors

Standard	Conformance	Observations and actions proposed	When?	Who?
1310 Requirements of the Quality Assurance and Improvement Programme	Yes			
1311 Internal Assessments	Yes			
1312 External Assessments	Yes			
1320 Reporting on the Quality Assurance and Improvement Programme	Yes			
1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'	Yes	5.4.25 Report outcome of this assessment to June Audit Committee on compliance with the standards and a resulting QIAP.	June 2019	Head of Audit
1322 Disclosure of Non-conformance	Yes			
Performance Standards				
2000 Managing the Internal Audit Activity	Yes			
2010 Planning	Yes			
2020 Communication and Approval	Yes			
2030 Resource Management	Yes			
2040 Policies and Procedures	Yes			
2050 Coordination	Yes			
2060 Reporting to Senior Management and the Board	Yes	6.1.30 Continue to ensure senior managers are informed of changes in the internal control environment.	Quarterly throughout 2019/20	Head of Audit
2070 External Service Provider and Organisational Responsibility for Internal Auditing	Yes			
2100 Nature of Work	Yes			

Standard	Conformance	Observations and actions proposed	When?	Who?
2110 Governance	Yes			
2120 Risk Management	Yes			
2130 Control	Yes			
2200 Engagement Planning	Yes			
2210 Engagement Objectives	Yes			
2220 Engagement Scope	Yes			
2230 Engagement Resource Allocation	Yes			
2240 Engagement Work Programme	Yes			
2300 Performing the Engagement	Yes			
2310 Identifying Information	Yes			
2320 Analysis and Evaluation	Yes			
2330 Documenting Information	Yes			
2340 Engagement Supervision	Yes			
2400 Communicating Results	Yes			
2410 Criteria for Communicating	Yes			
2420 Quality of Communications	Yes			
2421 Errors and Omissions	Yes			
2430 Use of 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'	Yes			
2431 Engagement Disclosure of Non-conformance	Yes			
2440 Disseminating Results	Yes			
2450 Overall Opinion	Yes			
2500 Monitoring Progress	Yes			

Standard	Conformance	Observations and actions proposed	When?	Who?
2600 Communicating the Acceptance of Risks	Yes			

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Committee and Date	Item
Audit Committee	
27 June 2019	
1:30 pm	Public
Council 25 July 2019	

ANNUAL ASSURANCE REPORT OF AUDIT COMMITTEE TO COUNCIL 2018/19

Responsible Officer James Walton

e-mail: James.walton@shropshire.gov.uk Tel: 01743 258915

1. Summary

Attached to this report is the Audit Committee's Annual Assurance Report to Council for 2018/19. This provides Council with independent reasonable assurance that it has in place adequate and effective governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements that can be relied upon and which contribute to the high corporate governance standards that this Council expects and maintains consistently.

2. Recommendations

2.1 Recommendations to Audit Committee

Audit Committee is asked to consider and comment on the contents of the draft Annual Assurance report for 2018/19 before forwarding to Council with a recommendation to accept this report.

2.2 Recommendations to Council

Council is asked to consider and comment on the contents of the Annual Assurance report for 2018/19 before recommending accepting this report.

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1 The Audit Committee's Annual Assurance Report is part of the overall internal control arrangements and risk management process. The Audit Committee objectively examines and evaluates the adequacy of the control environment

through the reports it receives and in turn can provide assurances to Council on its governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements that inform the Annual Governance Statement.

3.2 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998. There are no direct environmental, equalities, consultation or climate change requirements or consequences of this proposal.

4. Financial Implications

There are no direct financial implications from this report. In assessing the internal control environment, risk management and governance aspects of the Council, the Audit Committee can provide a perspective on the overall value for money of these.

5. Background

5.1 A key part of the Audit Committee's role is to report annually to Full Council on the Committee's findings, conclusions and recommendations; providing its opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements. In addition, the Audit Committee should report to Council where they have added value, improved or promoted the control environment and performance in relation to its Terms of Reference and the effectiveness of the Committee in meeting its purpose and functions.

5.2 The Audit Committee has a well-established role within the Council and it is important that an Annual Assurance report based on the work of the Committee is produced and recommended to Council. In compiling this assurance report, information provided at the Audit Committee meeting on 27 June 2019 has also been considered.

5.3 In addition, this report has been reviewed to ensure its continuing compliance with CIPFA[1]'s Audit Committees, Practical Guidance for Local Authorities and Police, 2018 edition. This requires the Audit Committee to be held to account on a regular basis by the Council specifically in relation to:

Whether the;

- committee has fulfilled its agreed terms of reference;
- committee has adopted recommended practice;
- development needs of committee members have been assessed and whether committee members are accessing briefing and training opportunities;
- committee has assessed its own effectiveness, or been the subject of a review, and the conclusions and actions from that review and,
- what impact the committee has on the improvement of governance, risk and control within the Council.

[1] The Chartered Institute of Public Finance and Accountancy.

5.4 The annual assurance report to Council for 2018/19, attached to this report, is an aid to addressing the key areas where the Committee should be held to account. **(Appendix A).**

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information) CIPFA's Audit Committees, Practical Guidance for Local Authorities and Police, 2018 edition Audit Committee reports 2018/19
Cabinet Member (Portfolio Holder) Peter Nutting, Leader of the Council and Peter M Adams, Chairman of Audit Committee
Local Member N/A
Appendices Appendix A - Draft Audit Committee Annual Assurance Report 2018/19

APPENDIX A

AUDIT COMMITTEE ANNUAL ASSURANCE REPORT FINANCIAL YEAR 2018/19
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STATEMENT FROM THE CHAIRMAN OF THE AUDIT COMMITTEE

1. Governance in and of the public sector continues to be high profile with the Chartered Institute of Public Finance and Accountancy (CIPFA) supporting good practice in local government. In Shropshire we have a Code of Corporate Governance which is reviewed annually in line with the best practice issued by CIPFA and SOLACE[2]; we have also produced an Annual Governance Statement, again in line with best practice and legislative requirements. Being well managed and well governed are important attributes in helping to improve performance and in reducing the risk of failing to achieve our objectives, and providing good service to our community.

2. Shropshire Council has an Audit Committee that is long established in seeking to maintain and improve our governance procedures. The Committee is a key component of the Council's corporate governance arrangements and a major source of assurance of the Council's arrangements for managing risk, maintaining an effective control environment and reporting on internal and external audit functions and financial and non-financial performance.

3. The benefits to the Council of operating an effective Audit Committee are:
    - Maintaining public confidence in the objectivity and fairness of financial and other reporting.
    - Reinforcing the importance and independence of internal and external audit and any other similar review process; for example, reviewing the Annual Statement of Accounts and the Annual Governance Statement.
    - Providing a sharp focus on financial reporting both during the year and at year end, leading to increased confidence in the objectivity and fairness of the financial reporting process.
    - Assisting the co-ordination of sources of assurance and, in so doing, making management more accountable.
    - Providing additional assurance through a process of independent and objective review.
    - Raising awareness within the Council of the need for governance, internal control and the implementation of audit recommendations.
    - Providing assurance on the adequacy of the Council's risk management arrangements and reducing the risk of illegal or improper acts.

4. The Committee continues to have a professional and arm's length relationship with Grant Thornton, the Council's external auditors, who attend all meetings of the Committee to offer their advice where needed.

[2] Society of Local Authority Chief Executives

5. The Committee undertakes a substantial range of activities and works closely with both internal and external auditors and the Chief Finance Officer (Section 151 Officer) in achieving our aims and objectives. We have put together a work and development plan for the year to enable key tasks to be considered and completed.

6. As Chair of the Audit Committee, I see training as a key priority for members to undertake our roles effectively. The Committee continues to undertake a full and extensive programme of training and this year has been no exception. Training has been received in relation to:
   - The Committee's role in governance and an update on the latest guidance;
   - A site visit to explore digital transformation progress;
   - Risk Management;
   - Value for Money;
   - Financial resilience, how can the committee be assured of this?
   - Commissioning as a Strategic Risk;
   - The use of social media in improving communications;
   - Fraud risk assessments, organised crime, money laundering and other fraud, bribery and corruption activities aimed at prevention;
   - Cyber security – first and second line assurance; and
   - IT audit and general IT controls.

   Members also have access to CIPFA's Better Governance Forum network which provides specific information in the form of regular briefings, training events, and an informative web site and received various communication updates throughout the year on the following topics:
   - Northamptonshire report of the commissioners;
   - Financial resilience; and
   - National Audit Office (NAO) Local Authority governance.

7. This year the Committee has held five planned meetings including the meeting held on 27 June 2018. We have received and considered a substantial number of reports across key areas of the Council's activity (see **Annex A**).

Audit Committee Membership and Dates of Meetings

8. Membership of the Audit Committee for 2018/19 was made up of the following Councillors: Peter Adams (Chairman); Brian Williams (Vice Chairman); Chris Mellings, Michael Wood and Ioan Jones.

9. Substitutes were invited to attend and contribute at all meetings and training.

10. Meetings of the Committee have been held on:
    - 24 July 2018;
    - 13 September 2018;
    - 6 December 2018;
    - 25 February 2019; and
    - 27 June 2019.

Details of Reports/Information Received

11. **Annex A** provides a summary of the key reports and information received by the Audit Committee at its meetings. These appear categorised in the areas which, under the Terms of Reference, Audit Committee have a responsibility to consider and report upon. They are:
    - Governance;
    - Risk management framework;
    - Controls, including specific focus on:
        - Contracts and partnerships
        - Fraud, corruption and whistleblowing
        - Value for money
    - Financial reporting and treasury management.

    A detailed audit work plan has been agreed for the current year.

12. Following receipt of the reports Audit Committee resolved that:
    - There were reasonable arrangements for corporate governance and where improvements are required there is a clear improvement plan with dedicated lead officers that will be monitored by Members.
    - The risk management and assurance framework was fit for purpose and operating as intended.
    - There have been improvements in the level of assurances for the internal control environment. There is still a need in the current situation with pressures on resources and changes to major systems, to ensure continual monitoring by management and members alike. Members focus will remain on areas critical to the Council, i.e. internal control environments in respect of the embedding of ERP software, commissioning, procurement, achieving planned income levels.
    - There were effective arrangements for the prevention and detection of fraud and corruption, and for enabling whistleblowing (confidential reporting).
    - There were effective arrangements in place to support Value for Money.
    - Financial Statements reflected the Council's true position, were complete including all transactions, and were prepared in accordance with International Financial Reporting Standards.

13. The Head of Audit has offered reasonable assurance for the 2018/19 year that the Council's framework for governance, risk management and internal control is sound and working effectively. She states that; generally, risks are well managed but some areas require the introduction of, compliance with or improvement to internal controls to ensure the achievement of the Council's objectives. 2018/19 has been a challenging year given the level of key fundamental line of business system changes delivered (social care, customer services, financial and human resources) and the embedding of these continues. Alongside the challenge to deliver savings and increase income (Commercial and Digital Transformation). Audit Committee will help facilitate an improving control environment especially in these areas.

Additional Responsibilities

14. Members of the Audit Committee and the Head of Audit and her staff are aware of the changing nature of local government in relation to the greater responsibilities for innovative practice allowed by the Government's Powers of Competence Act. We are aware that the Audit function has an essential and on-going role to play in monitoring the risks involved in the arrangements for strategic commissioning. Members continue to receive training in this extended aspect of their responsibilities, and the Head of Audit is ensuring that adequate resources are available in order to minimise any possibility of the risk of financial malpractice.

Audit Service Staff

15. The key staff are James Walton, the Section 151 Officer, Ceri Pilawski, the Head of Audit and her deputies, Principal Auditors: Katie Williams, Peter Chadderton and Barry Hanson.

16. Without the support of all Audit staff and of the officers mentioned above, it would not be possible for the Audit Committee to be as highly effective as peer comparisons show us to be. My thanks and that of my fellow committee members are given to all our Audit Service officers.

Annual Statement of Assurance

17. Based on:
    - The work carried out by the Internal and External Auditors and their reports presented to this Committee;
    - Reports from service managers and;
    - The work carried out by the Section 151 Officer, Head of Audit and their reports presented to this Committee.

    The Audit Committee can provide reasonable assurance, founded on those reports, explanations and assurances received, that the Council has in place adequate and effective governance, risk management and internal control systems; internal, external audit functions and financial reporting arrangements that can be relied upon and which contribute to the high corporate governance standards that this Council expects.

RECOMMENDATION – Council is asked to accept this report

Signed ……. Date…….
On behalf of the Audit Committee
Peter M Adams

ANNEX A

Summary of assurance reports received by Audit Committee

Governance

- **Management report; Annual Governance Statement (AGS) and a review of the effectiveness of the Council's internal controls and Shropshire's Code of Corporate Governance**

Report of the Section 151 Officer on the effectiveness of the system of internal controls and the production of the Annual Governance Statement. In addition, he reported on compliance with the Corporate Governance Code as reasonable.

- **Internal Audit – Annual review of Internal Audit, Quality Assurance and Improvement Programme (QAIP) 2018/19**

Report of the Section 151 Officer which provided Members with the results of a self-assessment of the Internal Audit Service against the requirements of the Public Sector Audit Standards, compliance against which demonstrates an effective Internal Audit service. There are no areas where the Internal Audit function is not complying with the Code and, whilst there are areas of partial compliance, these are not considered significant and do not compromise compliance with the code. It was noted the report should be read in conjunction with the Internal Audit Annual Report.

- **Annual review of Audit Committee terms of reference**

Report of the S151 Officer which set out changes proposed following CIPFA's refreshed:
Audit Committees, Practical Guidance for Local Authorities and Police 2018 Edition.
Most issues were already covered and specific mention was included to consider standards and ethics as part of the control environment.

- **Annual Audit Committee self-assessment**

Report of the Section 151 Officer which requested members to review and comment on the self-assessment of good practice questionnaire to assess the effectiveness of the Audit Committee and identify any further improvements. Members commented on the usefulness of the externally facilitator session in March 2018. Following the assessment Members have identified areas for future focus and refresh training sessions.

- **Internal Audit Charter**

Report of the Head of Audit which set out the requirement for an annual review of the Internal Audit Charter which had been completed and no changes were proposed.

- **Draft Audit Committee's annual work plan and future training requirements**

Report of the Head of Audit which provided a proposed Audit Committee work plan and sought discussion and agreement around a learning and development plan for members to ensure they were well informed and appropriately skilled to fulfil their role and drew members attention to the workplan and the proposed amendments

- **Annual Assurance report of Audit Committee to Council 2018/19**
  Report of the Section 151 Officer in respect of the Audit Committee's Annual Assurance report to Council.

The Audit Committee resolved that there were reasonable arrangements for corporate governance and where improvements are required there is a clear improvement plan with dedicated lead officers that will be monitored by Members.

Risk Management Framework

- **Management report: Risk and Insurance Annual Report 2017/18**

Report of the Risk and Insurance Manager which set out the challenges and achievements accomplished by the Risk Management Team during 2017/18. The Risk and Insurance Manager informed members that following an audit of both risk management and insurance, an assurance level of "good" had been identified. She explained how the reviews of strategic and operational risks were undertaken along with reviews of the Council's Business Continuity Management arrangements to provide assurance that they were robust. Turning to Insurance, she confirmed that 745 claims had been received which was an increase of 7% on the previous year.

- **Management report: Strategic risks update**

Reports during the year from the Risk and Insurance Manager set out the current strategic risk exposure following completion of a strategic risk workshop with Directors and the quarterly review. The risk for Enterprising Council was to be replaced by two risks; Failure to Deliver Economic Growth Strategy and Failure to Deliver the Commercial Strategy, detailed risk profiles were being drawn up with the new risk owners.

- **Internal Audit report of the review of Risk Management audit 2018/19**

Report of the Principal Auditor which summarised the detailed findings identified in the Internal Audit review of risk management of which the overall control environment had been assessed as Good, the highest rating that could be given.

- **Draft Internal Audit risk based plan 2019/20**

Report of the Head of Audit on the proposed risk based Internal Audit Plan for 2019/20. She drew attention to the summarised Internal Audit Plan which confirmed that 1,600 days had been planned for Shropshire Council audit work and 228 days for external clients. She also referred members to the Appendix, which set out those audit areas of high priority for which no provision had been made in this year's internal audit plan those low risk areas that would not be considered for review by Internal Audit on a rolling basis, to allow Members to consider first line assurances, if required, from managers on these areas.

- **External Audit: Informing the risk assessment**

Report of the Engagement Lead (Grant Thornton) which contributed towards the effective two-way communication between auditors and the Council's Audit Committee, as 'those charged with governance'. The External Auditor drew Members' attention to the responses received from the Council's management to the

questions raised on those areas where External Audit were required to gain an understanding of management processes and the Audit Committee's oversight of those areas. The Committee confirmed that they were comfortable with the management responses.

The Audit Committee resolved that the risk management and assurance framework was fit for purpose and operating as intended.

Controls

- **Management Report: Digital Transformation Programme (DTP) Update**

Reports of the Director of Workforce and Transformation have been provided throughout the year on the progress of the Digital Transformation Programme, including the Social Care Project; Infrastructure and Architecture Project; Business Transformation Project; and the Customer Experience Project. Matters reported during the year included some resourcing issues which had led to the live date for the Social Care project been put back going live in December 2018, the Children's workstream in February 2019; and the ERP[3] in April 2019. In relation to the Infrastructure and Architecture Project, Wi-Fi had been rolled out throughout Shirehall and was being rolled out to other sites and work was ongoing in relation to data capture; how to manage data and use it to predict future demand. The Data Migration Hub which automated the flow of data from the old systems to the new system was working well and Customer Service software had gone live. Projects were reported as being delivered within budget and overall the Quality Assurance Board were satisfied with the reasonable and good outcomes. Throughout the programme of work, the key risk was that the Council did not have enough people to support it, as it was a very lean organisation, however the risk was flagged and ways to mitigate it identified. Following go live of the ERP system, members were updated as to delivery to date, lessons learnt and the progress in moving to business as usual.

- **Management Report: Information Technology update**

Report of the Head of Human Resources and Development provided updates on IT Service Improvement, Compliance and Recovery/Business Continuity Project. She was pleased with the progress that had been made and reported on a full failover and recovery test. The Risk Management Officer explained that the service recovery plan set out certain timescales for recovery and could report that it only took six hours to completely fail over, recover and be operational.

- **Management report – Adult Social Care Financial Assessments Update**

The report of the Director of Adult Services set out the actions taken by the Financial Assessments Team and management following the 2017/18 Audit report. He reported that significant progress had been made over the last two months due to the application of the Digital Transformation Programme and he was confident that once implemented all recommendations contained in the Internal Audit report would be completed.

[3] Enterprise resource planning (ERP) software system to integrate budget planning, purchasing inventory, sales, finance, human resources, and more.

- **Management Report: Estates Update**

The report of the Head of Business Enterprise and Commercial Services provided a further update following the report provided in June 2018 which set out the management action undertaken to address the recommendations in the internal audit report dated 21 April 2017. He confirmed that all 19 recommendations had now been addressed and management action taken across several areas, including the roll out of Tech Forge[4]. The additional staff resources that had been appointed have proved to be very successful and would be incorporated into the permanent structure through a pending restructure of the Assets and Estates area to ensure a more commercial / economic development focus. The Internal Audit review conducted at the end of the year attracted a good level of assurance and confirmed the progress made as reported by the managers. *This also demonstrates improved value for money.*

- **Management Report: Commissioning Strategy Update**

Report of the Head of Business Enterprise and Commercial Services following an Internal Audit unsatisfactory assurance report in 2018 updated Members of the management progress against internal control weaknesses to date. An Internal Audit follow up review is planned in 2019/20.

- **Management Report: Theatre Severn update**

Report of the Interim Head of Culture and Heritage Services following several Internal Audit reports and investigations that identified control weaknesses across the Theatre's operations that were reoccurring, Members were provided with management progress against internal control weaknesses to date in the following areas:

- Theatre Severn Audit (Limited)
- Theatre Severn Chip and Pin (Unsatisfactory)
- Theatre Ticketing and Online Booking (Limited)

An Internal Audit follow up review is planned in 2019/20.

- **Internal Audit performance report and revised annual audit plan 2018/19**

Report of the Head of Audit which provided Members with an update of the work undertaken by Internal Audit throughout the year. By August she informed Members that 29% of the revised plan had been completed reporting five good, eleven reasonable and five limited assurance opinions and the 21 final reports contained 200 recommendations, none of which were fundamental. Members attention was drawn to the reduction in the overall audit plan from 2,258 to 1,911 days to reflect adjustments in risks and a reduction in resources.

By November 52% of the revised plan had been completed reporting one good, two reasonable assurance opinions, five limited and one unsatisfactory assurance opinion, Environmental Maintenance Grants. The nine final reports contained 112 recommendations, one of which was fundamental. She reported that the fundamental recommendation was in relation to Environmental Maintenance Grants, around the management of grants that needed improving and management had responded agreeing on actions taken to address the recommendations The Head of Audit reported further significant revisions reducing the overall audit plan

[4] Property and asset management software

from 1,911 days to 1,773 days due to adjustments in risk, more complex and sensitive reviews and a continuing reduction in resources.

At her February update the Head of Audit informed members that 77% of the revised plan had been completed; four good, 11 reasonable, three limited and two unsatisfactory assurance opinions had been issued. The Commercial Strategy and Plans and Theatre Severn Chip and Pin Machines were unsatisfactory. The 20 final reports contained 130 recommendations, one of which was fundamental. The fundamental recommendation was for a full review of the Commercial Strategy to ensure that targets are achievable, up to date and that the Strategy fully supports the corporate outcomes and the Financial Strategy's aims and objectives. Any changes to the Strategy should be approved by Cabinet. Members requested that the Manager with responsibility for the Commercial Strategy and Theatre Severn be invited to a future meeting of the Audit Committee to give an update on progress and provide management assurances. Further revisions reducing the overall audit plan from 1,773 days, as reported in December 2018, to 1,710 days were agreed.

Members expressed concern at the level of assurance that the Head of Audit could give considering the level of staff reduction together with the knock-on effect on the team's ability to carry out the function.

- **Management Report: Income Report update**

Report of the Section 151 Officer updating Members on the financial controls and monitoring performed on levels of income generated for the Council in 2018/19. For each income type the report considered key information, reporting and governance arrangements, risks and details of the monitoring performed on the level of income received during the year. Information was included to enable Members to consider the overall risks and assurances associated with the income and resources received by the Council. He also drew attention to the information which allows Members to consider areas for direct questioning and further consideration by the Audit Committee.

- **Internal Audit annual report 2018/19**

Report of the Head of Audit on achievements against the revised internal audit plan for 2018/19 and the annual internal audit assurance. The Head of Audit gave reasonable assurance for the 2018/19 year that the Council's framework for governance, risk management and internal control is sound and working effectively. She stated that generally, risks are well managed but some areas require the introduction of, compliance with or improvement to internal controls to ensure the achievement of the Council's objectives. 2018/19 has been a challenging year given the level of key fundamental line of business system changes delivered (social care, customer services, financial and human resources) and the embedding of these continues. Alongside the challenge to deliver savings and increase income (Commercial and Digital Transformation).

Controls: Contracts and Partnerships

Whilst individual reports have not been received by the Audit Committee in respect of this area. The Internal Audit Annual report and Annual Governance Statement signed by the Leader and Chief Executive highlighted some evidence that the internal control

environment in some areas of the Council required improvement, Members have received management assurance on these areas mentioned under controls above.

The Audit Committee resolved that there have been improvements in the level of assurances for the internal control environment. There is still a need in the current situation with pressures on resources and changes to major systems, to ensure continual monitoring by management and members alike. Members focus will remain on areas critical to the Council, i.e. internal control environments in respect of the embedding of ERP software, commissioning, procurement, achieving planned income levels.

Controls: Fraud, Corruption and Whistleblowing

- **Fraud, special investigation and Regulation of Investigatory Powers Act (RIPA) update (Exempted by categories 2, 3 and 7)**

Members are provided with exempt reports of the Principal Auditor providing an update on the current fraud and special investigations undertaken by Internal Audit and current RIPA activity.

- **Annual review of Counter Fraud, Bribery and Anti-Corruption Strategy and activities, including an update on the National Fraud Initiative**

Report of the Head of Audit provided which outlined the measures undertaken in the last year to evaluate the potential for the occurrence of fraud, and how the Council managed these risks with the aim of prevention, detection and subsequent reporting of fraud, bribery and corruption. It also provided an update on the action plan to ensure continuous improvement and an update to members in response to national and local issues. It was confirmed that no changes were being proposed to the existing strategy.

- **Annual Whistleblowing report**

Report of the Director of Workforce and Transformation on the number of cases raised through the whistleblowing process over the last year and the actions resulting.

The Audit Committee resolved that there were effective arrangements for the prevention and detection of fraud and corruption, and for enabling whistleblowing (confidential reporting).

Controls: Value for Money

- **External Audit: Shropshire Council audit findings 2017/18**

Report of the Engagement Lead (Grant Thornton) on key matters arising from the audit of Shropshire Council's financial statements for the year ending 31 March 2018. He advised that most of the financial statements had been completed and he anticipated that an unqualified opinion would be given.

- **External Audit: Audit plan**

Report of the Engagement Lead (Grant Thornton) setting out the plan for the year ending 31 March 2019 for Shropshire Council in relation to the Council's financial statements and to satisfy themselves that the Council had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

- **External Audit: Pension fund audit plan 2018/19**

Report of the Engagement Lead (Grant Thornton) setting out the Pension fund plan for the year ending 31 March 2019.

- **External Audit: Audit fee letter 2018/19**

Report of the Engagement Lead (Grant Thornton) setting out the audit fee for the year ending 31 March 2019.

The Audit Committee resolved that there were effective arrangements in place to support Value for Money.

Financial reporting

- **External Audit: Shropshire County Pension Fund audit findings report 2017/18**

Report of the Engagement Lead (Grant Thornton) summarised the findings for the year ended 31 March 2018 on the audit of the Pension Fund financial statements He drew attention to the significant audit risks in the report and explained that there was a risk that the valuation of Level 3 investments was incorrect but this would not impact on his unqualified opinion.

- **External Audit: Audit progress report and sector update**

Report of the Engagement Lead (Grant Thornton) which highlighted the progress made on work undertaken during the year and summarised the emerging national issues and developments of relevance to the Council. Members' attention was directed to the CIPFA Consultation on Financial Resilience Index which would provide an assessment of the relative financial health of each local authority including its level of reserves. He reported that the Institute of Fiscal Studies: Impact of 'Fair Funding Review' had been published in the summer the impact of which was not yet know. Additional work was reported on the audit of the shopping centres and a value for money risk assessment of financial resilience had been conducted. Members' were informed of the National Audit Office local auditor reporting and local authority governance reports along with the Institute of Chartered Accountants in England and Wales (ICEAW) expectations gap report.

- **External Audit: Annual audit letter 2017/18 Shropshire Council**

Report of the Engagement Lead (Grant Thornton) which summarised the key findings arising from the work carried out for the year ended 31 March 2018. The Senior Manager introduced the report and drew attention to the unqualified opinion given on the Council's Financial Statements and those for Shropshire County Pension Fund along with the Value for Money Conclusion for 2017/18.

- **External Audit: Certification letter**

Report of the Engagement Lead (Grant Thornton) detailing the Certification Work for 2017/18 relating to Housing Benefit subsidy claim. It was explained that due to two issues that had been identified, the claim had been qualified. Details of the errors were set out in the report.

- **Financial outturn report 2018/19**

Report from the Section 151 Officer providing details of the revenue outturn position for the Council and the full year capital expenditure and financing of the Council's capital programme.

- **Approval of the Council's Statement of Accounts 2018/19 including a review of accounting policies**

Report of the Section 151 Officer on the draft Annual Statement of Accounts and the accounting policies.

- **External Audit: Follow up of Recommendations**

Report of the External Auditor which provided an overview of the post-audit Action Plan for Shropshire Council. He drew Members' attention to the first three recommendations and satisfactory management responses, which related to work carried out in the previous financial year

Treasury Management

- **Annual treasury report 2017/18**

Report of the Section 151 Officer providing information on treasury activities for Shropshire Council for the year and including the investment performance of the internal treasury team to 31 March 2018. He confirmed that the Internal Treasury Team had outperformed their investment benchmark over the last three years delivering additional income of £1.557 million.

- **Treasury Strategy 2018/19 mid-year report**

Report of the Section 151 Officer which provided an economic update for the first six months of 2018/19; including a review of the Treasury Strategy; Annual Investment Strategy, the Council's investment portfolio; the Council's borrowing strategy; any debt rescheduling undertaken and compliance with Treasury and Prudential limits all for 2018/19. He reported that the internal Treasury Team had outperformed its benchmark by 0.28%, delivering additional income of £161,320 for the first six months of the year. He drew attention to the Council's approach to Treasury Management which looked at risk, security, liquidity, yield and capital plans and how these were managed. He also informed Members that as from 2019/20 all local authorities are required to prepare a Capital Strategy and that a report setting out Shropshire Council's Capital Strategy would be taken to Full Council in February 2019.

- **Treasury Strategy 2019/20**

Report of the Section 151 Officer which proposed the Treasury Strategy for 2019/20 and the recommended Prudential Indicators for 2019/20 to 2021/22.

The Audit Committee resolved that Financial Statements reflected the Council's true position, were complete including all transactions, and were prepared in accordance with International Financial Reporting Standards.

Committee and Date	Item
Audit Committee 27th June 2019	15

EXTERNAL AUDIT: PENSION FUND EXTERNAL AUDIT PLAN 2018/19

Responsible Officer James Walton
Email: james.walton@shropshire.gov.uk Tel: (01743) 258915

1. Summary

1.1. The Shropshire County Pension Fund is administered by Shropshire Council. The report attached at Appendix A provides an overview of the planned scope and timing of the statutory audit for those charged with governance. A copy of this report was considered by the Pensions Committee at its meeting of 15 March 2019.

2. Recommendations

The Committee is asked to consider and endorse, with appropriate comment the External Audit Plan.

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1 The External Audit Plan forms part of the external audit of the Shropshire County Pension Fund end of year accounts. The plan provides Audit Committee with the opportunity to review and consider the approach taken and any issues identified.

4. Financial Implications

4.1 Materiality is determined at the planning stage of the audit and for Shropshire County Pension Fund the value is based upon approximately 1% of the value of net assets at 30 November 2018 i.e. £18m. In addition a 'Clearly Trivial' limit has been set at £0.9m.

4.2 The audit fee is £18,039 for 2018/19, a reduction of £5,388 compared to last year. The fee is charged to the Pension Fund.

5. Background

5.1 Grant Thornton were appointed as External Auditors for Shropshire Council following a procurement process undertaken by Public Sector Audit Appointments Ltd (PSAA – a company established by the Local Government

Association) in 2017. The contracts cover a fiver year period commencing with the audit of the 2018/19 accounts. PSAA has an option to extend the contracts by a further two year period to seven years in total. Grant Thornton undertake ned of year audits for Shropshire Council and Shropshire County Pension Fund.

5.2 The attached report identifies matters that have come to the attention of Grant Thornton and are reported as part of the audit planning process. The plan is not comprehensive and is subject to change.

5.3 The attached report identifies the key factors impacting on the audit, significant risks identified (as defined by International Standards on Auditing) and any other matters.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
Appendices Appendix A – External Audit Plan

Grant Thornton

External Audit Plan

Year ending 31 March 2019

Shropshire County Pension Fund

15 March 2019

Contents

Your key Grant Thornton team members are:

Richard Percival
Engagement Lead
T: 0121 232 5434
E: richard.d.percival@uk.gt.com

Terry Tobin
Engagement Manager
T: 0121 232 5276
E: terry.p.tobin@uk.gt.com

David Rowley
In-charge Auditor
T: 0121 232 5225
E: david.m.rowley@uk.gt.com

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Pension Fund or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction & headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Shropshire County Pension Fund ('the Fund') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Shropshire County Pension Fund. We draw your attention to both of these documents on the PSAA website.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Fund's financial statements that have been prepared by management with the oversight of those charged with governance (the Pensions Committee).

The audit of the financial statements does not relieve management or the Pensions Committee of your responsibilities.

Our audit approach is based on a thorough understanding of the Fund's business and is risk based. We will be using our new audit methodology and tool, LEAP, for the 2018/19 audit. It will enable us to be more responsive to changes that may occur in your organisation.

Significant risks	Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as: • Management override of controls • Valuation of level 3 investment assets We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.
Materiality	We have determined materiality at the planning stage of our audit to be £18 million (PY £18.650 million) for the Fund, which equates to approximately 1 per cent of your net assets as at 30 November 2018. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £0.9 million (PY £0.933 million).
Audit logistics	Our advance visits will take place in the period January to March and our final visit will be in June and July. Our key deliverables are this Audit Plan and our Audit Findings Report. Our audit approach is detailed in Appendix A. Our fee for the audit is £18,039 (PY: £23,427) for the Fund, subject to management meeting our requirements set out on page 9. Where we are required to respond to requests received from other auditors of other bodies for assurance in respect of information held by the Fund and provided to the actuary to support their individual IAS 19 calculations these will be billed in addition to the audit fee on a case by case basis.
Independence	We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Key matters impacting our audit

Factors		
SI 493/2018 – LGPS (Amendment) Regulations 2018 Introduces a new provision for employers to receive credit for any surplus assets in a fund upon ceasing to be a Scheme employer. This could potentially lead to material impacts on funding arrangements and the need for updated of Funding Strategy Statements. **Guaranteed Minimum Pension (GMP)** • Pension funds are continuing to work through the GMP reconciliation process. • In January 2018 the government extended its "interim solution" for indexation and equalisation for public service pension schemes until April 2021. Currently the view is that the October 2018 High Court ruling in respect of GMP equalisation is therefore not likely to have an impact upon the LGPS.	**Changes to the CIPFA 2018/19 Accounting Code** The most significant changes relate to the adoption of IFRS 9 Financial Instruments. In practice, IFRS 9 is anticipated to have limited impact for pension funds as most assets and liabilities held are already classed as "fair value through profit and loss". However, we will obtain management's assessment of the impact of these new standards as part of our audit work. **The Pensions Regulator (tPR)** tPRs Corporate Plan for 2018-2021 includes three new Key Performance Indicators (KPIs) directly related to public service pension schemes and TPR has chosen the LGPS as a cohort for proactive engagement throughout 2018 and 2019.	**Pooling** As arrangements in respect of pooling progress the Fund is anticipating moving £228 million of assets (value as at December 2018) to the local pool (administered by LGPS Central) during 2018/19. Reviewing the work management has undertaken to gain assurances over the controls in place at LGPS Central will form a key element of our audit strategy for the 2018/19 year.
Our response		
• We will continue to monitor the position in respect of GMP equalisation and reconciliation. For pension funds the immediate impact is expected to be largely administrative rather than financial.	• We will keep you informed of changes to the financial reporting requirements for 2018/19 through on-going discussions and invitations to our technical update workshops. • As part of our opinion on your financial statements, we will consider whether your financial statements reflect the financial reporting changes in the 2018/19 CIPFA Code. • We will keep under review any interaction the Fund has with tPR and tailor our audit approach where necessary.	• Whilst we do not consider the transfer of assets to the pool as a significant risk we will tailor our approach to gain assurance in respect of the completeness and accuracy of the transactions.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
The revenue cycle includes fraudulent transactions	Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.	Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Fund, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because: • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Shropshire Council as the Administering Authority of Shropshire County Pension Fund, mean that all forms of fraud are seen as unacceptable Therefore we do not consider this to be a significant risk for Shropshire County Pension Fund.
Management over-ride of controls	Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.	We will: • evaluate the design effectiveness of management controls over journals • analyse the journals listing and determine the criteria for selecting high risk unusual journals • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Significant risks identified (continued)

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
The valuation of Level 3 investments is incorrect	The Fund revalues its investments on an annual basis to ensure that the carrying value is not materially different from the fair value at the financial statements date. By their nature Level 3 investment valuations lack observable inputs. These valuations therefore represent a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions. Under ISA 315 significant risks often relate to significant non-routine transactions and judgemental matters. Level 3 investments by their very nature require a significant degree of judgement to reach an appropriate valuation at year end. Management utilise the services of investment managers and/or custodians as valuation experts to estimate the fair value as at 31 March 2019. We therefore identified valuation of Level 3 investments as a significant risk, which was one of the most significant assessed risks of material misstatement.	We will: • evaluate management's processes for valuing Level 3 investments • review the nature and basis of estimated values and consider what assurance management has over the year end valuations provided for these types of investments to ensure that the requirements of the Code are met • for a sample of investments, test the valuation by obtaining and reviewing the audited accounts, (where available) at the latest date for individual investments and agreeing these to the fund manager reports at that date. Reconcile those values to the values at 31 March 2019 with reference to known movements in the intervening period • in the absence of available audited accounts, we will evaluate the competence, capabilities and objectivity of the valuation expert

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report in July 2019.

Other matters

Other work

The Fund is administered by Shropshire Council (the 'Council'), and the Fund's accounts form part of the Council's financial statements.

Therefore, as well as our general responsibilities under the Code of Practice a number of other audit responsibilities also follow in respect of the Fund, such as:

- We read any other information published alongside the Council's financial statements to check that it is consistent with the Fund financial statements on which we give an opinion and is consistent with our knowledge of the Authority.
- We consider our other duties under legislation and the Code, as and when required, including:
    - Giving electors the opportunity to raise questions about your 2018/19 financial statements, consider and decide upon any objections received in relation to the 2018/19 financial statements;
    - issue of a report in the public interest or written recommendations to the Fund under section 24 of the Act, copied to the Secretary of State.
    - Application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act; or
    - Issuing an advisory notice under Section 29 of the Act.
- We carry out work to satisfy ourselves on the consistency of the pension fund financial statements included in the pension fund annual report with the audited Fund accounts.

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Going concern

As auditors, we are required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the Fund's ability to continue as a going concern" (ISA (UK) 570). We will review management's assessment of the going concern assumption and evaluate the disclosures in the financial statements.

Materiality

The concept of materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

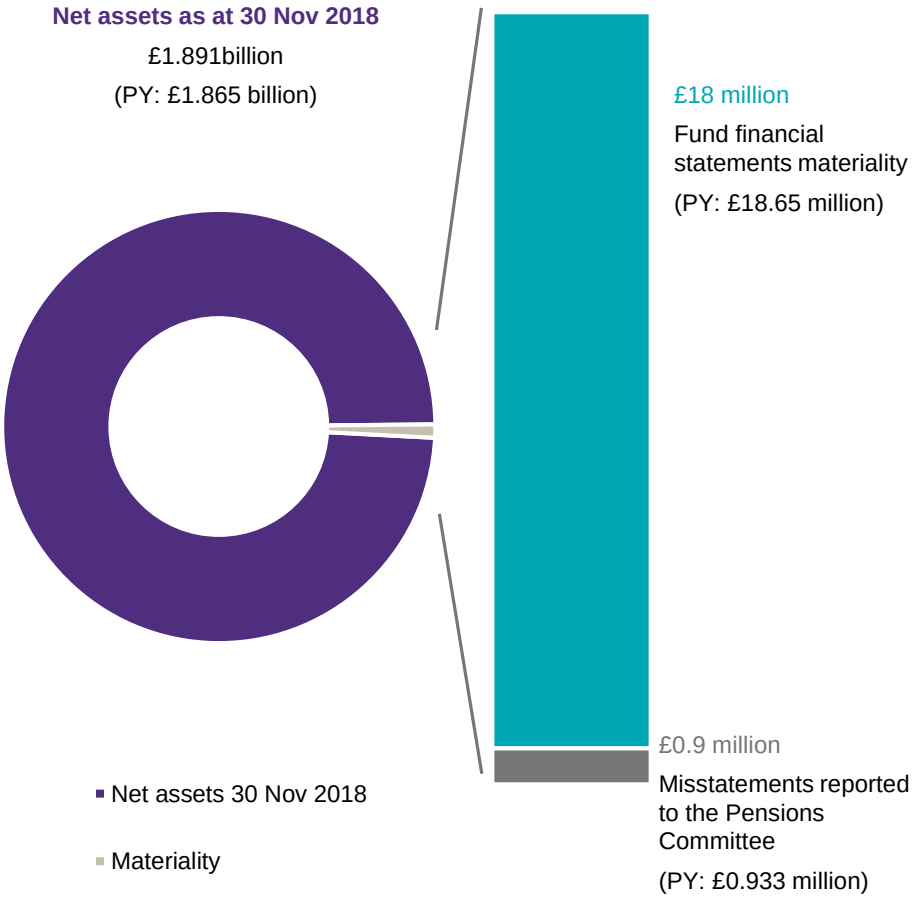
Materiality for planning purposes

We have determined materiality at the planning stage of our audit to be £18 million (PY £18.65 million) for the Fund. We consider the proportion of the net assets of the Fund to be the appropriate benchmark for the financial year. In the prior year we used the same benchmark. Our materiality equates to approximately 1 per cent of your net assets as at 30 November 2018. Given the fluctuating nature of the fund value we have opted to utilise an approximate as opposed to a highly precise value. We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality (for example, a significant change in the value of the fund's assets between interim audit date and the year end).

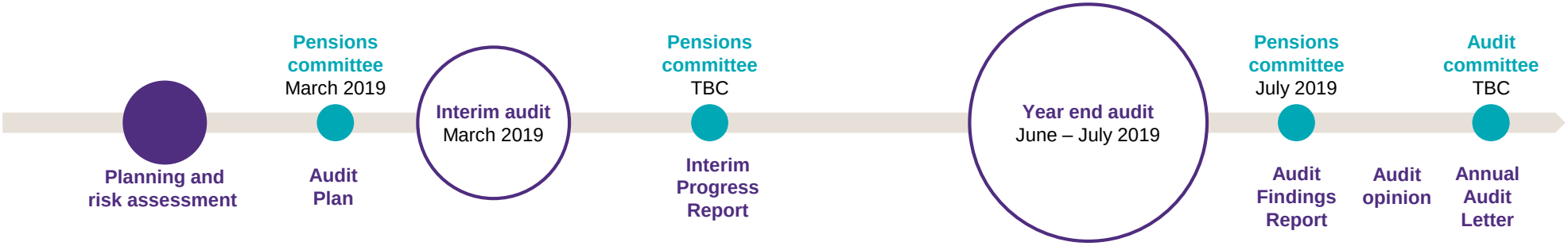
Matters we will report to the Audit Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Pensions Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the Fund, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.9 million (PY 0.933 million).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Pensions Committee to assist it in fulfilling its governance responsibilities.



Audit logistics, team & fees



Richard Percival, Engagement Lead

Richard will be the main point of contact for the Chair, s151 Officer, Head of Treasury and Pensions and Committee members. Richard will ensure our audit is tailored specifically to you, and he is responsible for the overall quality of our audit. Richard will sign your audit opinion.

Terry Tobin, Audit Manager

Terry will work with senior members of the finance team ensuring testing is delivered and any accounting issues are addressed on a timely basis. He will attend Pensions Committees and supervise the on-site team. Terry will draft clear, concise and understandable reports.

David Rowley, Audit Incharge

David will be the day to day contact for the audit, organising our visits and liaising with Authority staff. He will lead the on-site team and will monitor deliverables, manage our query log ensuring that any significant issues and adjustments are highlighted to management as soon as possible.

Audit fees

The planned audit fees are £18,039 (PY: £23,427) for the financial statements audit completed under the Code, which are in line with the scale fee published by PSAA. There is no non-Code (as defined by PSAA) work planned. In setting your fee, we have assumed that the scope of the audit, and the Fund and its activities, do not significantly change.

In the event that additional audit work is required to address risks relating to, for example, movement of funds to LGPS Central or the application of changes to IFRS 9 or changes to the Authority's recognition and accounting treatment of financial assets and/or liabilities, we will consider the need to charge additional fees. Any proposed additional fees will be discussed and agreed with management.

Where we are required to respond to requests received from other auditors of other bodies for assurance in respect of information held by the Fund and provided to the actuary to support their individual IAS 19 calculations these will be billed in addition to the audit fee on a case by case basis.

Our requirements

To ensure the audit is delivered on time and to avoid any additional fees, we have detailed our expectations and requirements in the following section 'Early Close'. If the requirements detailed overleaf are not met, we reserve the right to postpone our audit visit and charge fees to reimburse us for any additional costs incurred.

Any proposed fee variations will need to be approved by PSAA.

Early close

Meeting the 31 July audit timeframe

In the prior year, the statutory date for publication of audited local government accounts in England was brought forward to 31 July. Wales and Scotland currently have different deadlines but there is convergence towards earlier close. This is a significant challenge for Pension Funds and auditors alike. For authorities, the time available to prepare the accounts is curtailed, while, as auditors there is a shorter period to complete our work and an even more significant peak in our workload than previously.

We were able to meet the brought forward deadline in the previous period and aim to build on this success for the coming year's audit.

We have carefully planned how we can make the best use of the resources available to us during the final accounts period. As well as increasing the overall level of resources available to deliver audits, we have focused on:

- bringing forward as much work as possible to interim audits
- starting work on final accounts audits as early as possible, by agreeing which authorities will have accounts prepared significantly before the end of May
- seeking further efficiencies in the way we carry out our audits
- working with you to agree detailed plans to make the audits run smoothly, including early agreement of audit dates, working paper and data requirements and early discussions on potentially contentious items.

We are satisfied that, if all these plans are implemented, we will be able to complete your audit and those of our other local government clients in sufficient time to meet the earlier deadline.

Client responsibilities

Where individual clients do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other clients. We will therefore conduct audits in line with the timetable set out in audit plans (as detailed on page 9). Where the elapsed time to complete an audit exceeds that agreed due to a client not meetings its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit by the statutory deadline. Such audits are unlikely to be re-started until very close to, or after the statutory deadline. In addition, it is highly likely that these audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit or additional audit fees being incurred, you need to ensure that you:

- produce draft financial statements of good quality by the deadline you have agreed with us, including all notes
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

In return, we will ensure that:

- the audit runs smoothly with the minimum disruption to your staff
- you are kept informed of progress through the use of an issues tracker and weekly meetings during the audit
- we are available to discuss issues with you prior to and during your preparation of the financial statements.

Independence & non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 and PSAA's Terms of Appointment which set out supplementary guidance on ethical requirements for auditors of local public bodies.

Other services provided by Grant Thornton

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Fund. No other services were identified.

Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

Appendices

A. Audit approach

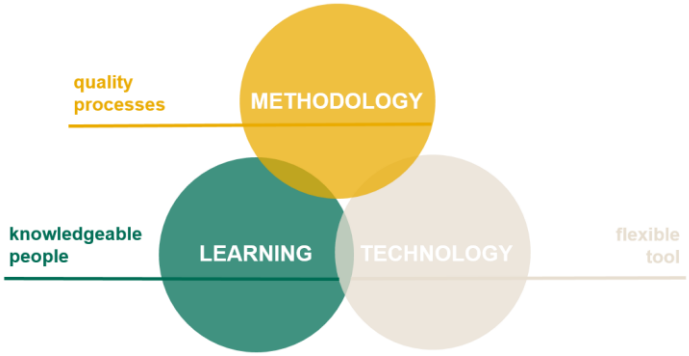
Audit approach

Use of audit, data interrogation and analytics software

LEAP

Audit software

- A globally developed ISA-aligned methodology and software tool that aims to re-engineer our audit approach to fundamentally improve quality and efficiency
- LEAP empowers our engagement teams to deliver even higher quality audits, enables our teams to perform cost effective audits which are scalable to any client, enhances the work experience for our people and develops further insights into our clients' businesses
- A cloud-based industry-leading audit tool developed in partnership with Microsoft



IDEA

- We use one of the world's leading data interrogation software tools, called 'IDEA' which integrates the latest data analytics techniques into our audit approach
- We have used IDEA since its inception in the 1980's and we were part of the original development team. We still have heavy involvement in both its development and delivery which is further enforced through our chairmanship of the UK IDEA User Group
- In addition to IDEA, we also other tools like ACL and Microsoft SQL server
- Analysing large volumes of data very quickly and easily enables us to identify exceptions which potentially highlight business controls that are not operating effectively

Appian

Business process management

- Clear timeline for account review:
  - disclosure dealing
  - analytical review
- Simple version control
- Allow content team to identify potential risk areas for auditors to focus on

Inflo

Cloud based software which uses data analytics to identify trends and high risk transactions, generating insights to focus audit work and share with clients.

REQUEST & SHARE

- Communicate & transfer documents securely
- Extract data directly from client systems
- Work flow assignment & progress monitoring

ASSESS & SCOPE

- Compare balances & visualise trends
- Understand trends and perform more granular risk assessment

VERIFY & REVIEW

- Automate sampling requests
- Download automated work papers

INTERROGATE & EVALUATE

- Analyse 100% of transactions quickly & easily
- Identify high risk transactions for investigation & testing
- Provide client reports & relevant benchmarking KPIs

FOCUS & ASSURE

- Visualise relationships impacting core business cycles
- Analyse 100% of transactions to focus audit on unusual items
- Combine business process analytics with related testing to provide greater audit and process assurance

INSIGHTS

- Detailed visualisations to add value to meetings and reports
- Demonstrates own performance and benchmark comparisons

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Committee and Date	Item
Audit Committee 27th June 2019	16

EXTERNAL AUDIT: AUDIT FEE LETTER 2019/20

Responsible Officer James Walton
Email: james.walton@shropshire.gov.uk Tel: (01743) 258915

1. Summary

1.1. The Audit Fee Letter attached at Appendix A identifies the audit fee for the 2019/20 audit. The letter includes the fee for the Shropshire County Pension Fund audit, as well as the billing schedule.

2. Recommendations

The Committee is asked to consider and endorse, with appropriate comment the Audit Fee Letter.

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1 The external audit of Shropshire Council and the Shropshire County Pension Fund end of year accounts produce an independent opinion, intended to provide reasonable assurance, but not absolute assurance, that the financial statements are presented fairly, in all material respects, and/or give a true and fair view in accordance with the financial reporting framework.

4. Financial Implications

4.1 The audit fee for Shropshire Council for 2019/20 is £103,061, unchanged from last year.

4.2 The audit fee for Shropshire County Pension Fund is £18,039 for 2018/19, unchanged from last year. The fee is charged to the Pension Fund.

5. Background

5.1 Grant Thornton were appointed as External Auditors for Shropshire Council following a procurement process undertaken by Public Sector Audit Appointments Ltd (PSAA – a company established by the Local Government Association) in 2017. The contracts cover a fiver year period commencing with the audit of the 2018/19 accounts. PSAA has an option to extend the contracts by a further two year period to seven years in total. Grant Thornton undertake

ned of year audits for Shropshire Council and Shropshire County Pension Fund.

5.2 PSAA set the fees independently and published the 2019/20 scale fees at the end of 2019/20 following a consultation process.

5.3. The scale fee includes the audit of financial statements, work to reach a Value for Money conclusion and work on the whole of government accounts return.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
Appendices Appendix A – Audit Fee Letter

Grant Thornton

Grant Thornton UK LLP
The Colmore Building
20 Colmore Circus
Birmingham
B4 6AT

T +44 (0)121 212 4000
F +44 (0)121 212 4014

Mr J Walton
Head of Finance, Governance and Assurance
Shropshire Council
Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND

15 April 2019

Dear James,

Planned audit fee for 2019/20

The Local Audit and Accountability Act 2014 (the Act) provides the framework for local public audit. Public Sector Audit Appointments Ltd (PSAA) has been specified as an appointing person under the Act and the Local Authority (Appointing Person) Regulations 2015 and had the power to make auditor appointments for audits of opted- in local government bodies from 2018/19.

For opted- in bodies PSAA's responsibilities also include setting fees and monitoring the quality of auditors' work. Further information on PSAA and its responsibilities are available on the PSAA website.

All grant work, including housing benefit certification, falls outside the PSAA contract, as PSAA no longer has the power to make appointments for assurance on grant claims and returns. Any assurance engagements will therefore be subject to separate engagements agreed between the grant-paying body, the Council and ourselves and separate fees agreed with the Council.

Scale fee

PSAA published the 2019/20 scale fees for opted-in bodies at the end of March 2019, following a consultation process. Individual scale fees have been maintained at the same level as in 2018/19, unless there were specific circumstances which required otherwise. Further details are set out on the PSAA website. The Council's scale fee for 2019/20 has been set by PSAA at £103,061 which is the same as in 2018/19.

PSAA prescribes that 'scale fees are based on the expectation that audited bodies are able to provide the auditor with complete and materially accurate financial statements, with supporting working papers, within agreed timeframes'.

The audit planning process for 2019/20, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary as our work progresses.

Scope of the audit fee

There are no changes to the overall work programme for audits of local government audited bodies for 2019/20. Under the provisions of the Local Audit and Accountability Act 2014, the National Audit Office (NAO) is responsible for publishing the statutory Code of Audit Practice and guidance for

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auditors. Audits of the accounts for 2019/20 will be undertaken under this Code. Further information on the NAO Code and guidance is available on the NAO website.

The scale fee covers:

- our audit of your financial statements;
- our work to reach a conclusion on the economy, efficiency and effectiveness in your use of resources (the value for money conclusion); and
- our work on your whole of government accounts return (if applicable).

PSAA will agree fees for considering objections from the point at which auditors accept an objection as valid, or any special investigations, as a variation to the scale fee.

Value for Money conclusion

The Code requires us to consider whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VfM) conclusion.

The NAO issued its latest guidance for auditors on value for money work in November 2017. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Council has put proper arrangements in place.

The NAO guidance identifies one single criterion for auditors to evaluate:

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

Pension Fund audit [if applicable]

PSAA has also established a scale of fees for pension fund audits. The scale fee for the audit of the pension fund is £18,039, which is also the same as last year. Our work on the pension fund will be undertaken by our specialist pension fund audit team.

Billing schedule

Fees will be billed as follows:

Main Audit fee	£
September 2019	25.766
December 2019	25,765
March 2020	25,765
June 2020	25,765
Total	**103,061**
Pension Fund audit	
March 2020	18,039

Outline audit timetable

We will undertake our audit planning and interim audit procedures in November 2019 to March 2020. Upon completion of this phase of our work we will issue a detailed audit plan setting out our findings and details of our audit approach. Our final accounts audit and work on the VfM conclusion will be completed in January to July 2020 and work on the whole of government accounts return in July 2020.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	November 2019 to March 2020	Audit plan	The plan summarises the findings of our audit planning and our approach to the audit of the Council's accounts and VfM.
Final accounts audit	June to July 2020	Audit Findings (Report to those charged with governance)	This report sets out the findings of our accounts audit and VfM work for the consideration of those charged with governance.
VfM conclusion	January to July 2020	Audit Findings (Report to those charged with governance)	As above
Whole of government accounts	July 2020	Opinion on the WGA return	This work will be completed alongside the accounts audit.
Annual audit letter	September 2020	Annual audit letter to the Council	The letter will summarise the findings of all aspects of our work.

Our team

The key members of the audit team for 2019/20 are:

	Name	Phone Number	E-mail
Engagement Lead	Richard Percival	0121 232 5434	richard.d.percival@uk.gt.com
Senior Manager	Emily Mayne	0121 232 5309	emily.j.mayne@uk.gt.com
In Charge Auditor	Siobhan Barnard	0151 224 2407	siobhan.barnard@uk.gt.com
Pensions Engagement Lead	Richard Percival	0121 232 5333	Richard.d.percival@uk.gt.com
Pensions Audit Manager	Terry Tobin	0121 232 5276	terry.p.tobin@uk.gt.com
In Charge Auditor	David Rowley	0121 232 5225	david.m.rowley@uk.gt.com

Additional work

The scale fee excludes any work requested by the Council that we may agree to undertake outside of our Code audit. Each additional piece of work will be separately agreed, and a detailed project specification and fee agreed with the Council.

Quality assurance

We are committed to providing you with a high quality service. If you are in any way dissatisfied or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively, you may wish to contact Mark Stocks, our Public Sector Assurance regional lead partner, via mark.c.stocks@uk.gt.com.

Yours sincerely

Richard Percival
Engagement Lead
Grant Thornton UK LLP

6

Committee and Date	Item
Audit Committee 27th June 2019	16

EXTERNAL AUDIT: AUDIT PROGRESS REPORT AND SECTOR UPDATE

Responsible Officer James Walton
Email: james.walton@shropshire.gov.uk Tel: (01743) 258915

1. Summary

1.1. The Audit Progress Report and Sector Update attached at Appendix A provides Audit Committee with a report on progress by Grant Thornton in delivering their responsibilities.

2. Recommendations

The Committee is asked to consider and endorse, with appropriate comment the Audit Progress Report and Sector Update and to consider whether responses are requested for future meetings.

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1 The external audit of Shropshire Council and the Shropshire County Pension Fund end of year accounts produce an independent opinion, intended to provide reasonable assurance, but not absolute assurance, that the financial statements are presented fairly, in all material respects, and/or give a true and fair view in accordance with the financial reporting framework.

4. Financial Implications

4.1 Grant Thornton have been appointed as auditor for the Housing Benefit and Subsidy Claim for 2018/19. The audit fee is £13,300 and is addition to the audit fee (£103,061) identified in agenda item 16.

5. Background

5.1 Grant Thornton were appointed as External Auditors for Shropshire Council following a procurement process undertaken by Public Sector Audit Appointments Ltd (PSAA – a company established by the Local Government Association) in 2017. The contracts cover a fiver year period commencing with the audit of the 2018/19 accounts. PSAA has an option to extend the contracts by a further two year period to seven years in total. Grant Thornton undertake ned of year audits for Shropshire Council and Shropshire County Pension Fund.

EXTERNAL AUDIT: AUDIT PROGRESS REPORT AND SECTOR UPDATE

5.2 The attached report sets out the timetable for key deliverables relating to the 2018/19 end of year audit.

5.3. The attached report also includes a number of updates in relation to Grant Thornton publications and sector updates from the National Audit Office (NAO) and the Chartered Institute of Public Finance and Accountancy (CIPFA) in relation to new homes and adult and children's social care.

5.4. Included within the report are a series of challenge questions, as detailed with responses below:

1. Has your Authority got a robust plan in place to deliver the additional houses needed over the next five years?

   Shropshire Council has a plan in place to deliver and exceed this requirement.

2. Has your authority considered the NAO Report (Pressures on Children's Social Care), and how local variations and demands can be addressed?

   This is being considered. Shropshire Council's pressures in Children's Services are already well documented and reflected in the 2018/19 Children's Services overspend.

3. Has your authority completed the Social Care Risk tool? Have your Directors shared the responses with you?

   No, but it is due to be completed by autumn 2019. Risks associated with Adult Services are well known across the authority, so this tool is not considered to be essential at this point in time. Results and responses can be shared with Audit Committee upon conclusion if requested.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
Appendices Appendix A – Audit Progress Report and Sector Update

Grant Thornton

An instinct for growth™

Audit Progress Report and Sector Update

Shropshire Council

Year ending 31 March 2019

June 2019

Contents

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Audit Deliverables	05
Sector Update	06
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Introduction

Richard Percival

Engagement Lead

T 0121 232 5434
M 07584 591508
E richard.d.percival@uk.gt.com

Emily Mayne

Engagement Manager

T 0121 232 5309
M 07880 456112
E emily.j.mayne@uk.gt.com

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a Local Authority, and
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Audit Committee can find further useful material on our website where we have a section dedicated to our work in the public sector. Here you can download copies of our publications. Click on the Grant Thornton logo to be directed to the website.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

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Progress to date

Financial Statements Audit

We carried out the following interim audit fieldwork in the early part of 2019:

- Documented our review of the control environment
- Documented our understanding of financial systems
- Reviewed Internal Audit reports on core financial systems
- Undertook early work on emerging accounting issues
- Undertook early substantive testing
- Substantive testing for months 1 to 9 at least and in some cases, month 11.

There were no significant findings from our interim work which we wish to bring to your attention.

The most significant issue which is emerging nationally is the impact of the McCloud case on the estimations and contingent liabilities disclosed within the financial statements. We continue to discuss this with the Council.

The final accounts audit began early June 2019. There are no significant findings to bring to your attention at the point of finalising this report for the Audit Committee.

We will present our Audit Findings Report (ISA 260), summarising our conclusions and any issues identified at the Audit Committee meeting in July 2019.

Value for Money

The scope of our work to inform the 2018/19 VfM Conclusion requires conclusions on whether:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

This change of guidance was issued by the National Audit Office in November 2015. The Code requires auditors to satisfy themselves that; "the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

We have considered the Council's business and identified the key risks which would impact on the Council delivering value for money. There is only one, financial resilience over the medium to long term, which is communicated in the Audit Plan. We have not identified the replacement of IT infrastructure / business continuity as a risk for 2018/19 due to progress made by the Council in this area.

We will report our findings to the July Audit Committee.

Other areas

Certification of claims and returns

We have been appointed as your Auditor for the Housing Benefit and Subsidy Grant Claim for 2018/19. We have issued an engagement letter and await the signing of this. We have engaged in our initial meetings with the Council Housing Benefits team and will progress testing over the summer months with the final testing being completed in the Autumn. The fee for this work will be £13,300 + VAT assuming there are no issues which require additional fee.

We will continue to liaise with the Council on the completion of the Teacher's Pension claim and Pooling of Housing Capital Receipts. If we are appointed then we will complete this work in the Autumn.

Meetings

We meet with Senior Officers and Finance staff as part of our regular liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

We also meet with your Chief Executive to discuss the Council's strategic priorities and plans. We met with the Director of Place as part of our work on your value for money conclusion.

Events

We provide a range of events and publications to support the Council. Further details of the publications that may be of interest to the Council are set out in our Sector Update section of this report.

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Audit Deliverables

2018/19 Deliverables	Planned Date	Status
Fee Letter Confirming audit fee for 2018/19.	April 2018	Complete
Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2018/19 financial statements.	February 2019	Complete
Interim Audit Findings We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.	March 2019	Complete
Audit Findings Report The Audit Findings Report will be reported to the July Audit Committee.	July 2019	Not yet due
Auditors Report This is the opinion on your financial statement, annual governance statement and value for money conclusion.	July 2019	Not yet due
Annual Audit Letter This letter communicates the key issues arising from our work.	August 2019	Not yet due
Annual Certification Letter This letter reports any matters arising from our certification work carried out under the PSAA contract.	December 2019	Not yet due

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Sector Update

Local government finances are at a tipping point. Councils are tackling a continuing drive to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider NHS and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- **Grant Thornton Publications**
- **Insights from local government sector specialists**
- **Reports of interest**
- **Accounting and regulatory updates**

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website

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National Audit Office – Planning for new homes

The National Audit Office (NAO) has recently published a report on *Planning for new homes.* This report is part of a series on housing in England, including *Housing in England: overview (2017)* and *Homelessness (2017).* The latest report focuses on the Ministry of Housing, Communities and Local Government's (MHCLG's) objective for housing in England to deliver a million homes by the end of 2020; half a million by the end of 2022; and to deliver 300,000 net additional homes a year on average.

The report recognises that increasing the supply of new homes is a complex task and one of the measures MHCLG has introduced to help achieve the objective is reforming the planning system. The report notes that the planning system is fundamental to providing new homes and it assesses how effectively MHCLG supports the planning regime to provide the right homes in the right places through:

- supporting local authorities to produce plans for how the supply of new homes will meet need in their area;
- supporting local authorities and the Planning Inspectorate in having effective and sufficiently resourced planning processes and teams to deal with planning applications and appeals; and
- working effectively with local authorities, other government departments and developers to ensure infrastructure to support new homes is planned and funded.

The report finds that at present, the system is not providing value for money and that the supply of new homes has failed to meet demand. It notes that a number of factors have contributed to the planning system not working and some of these include:

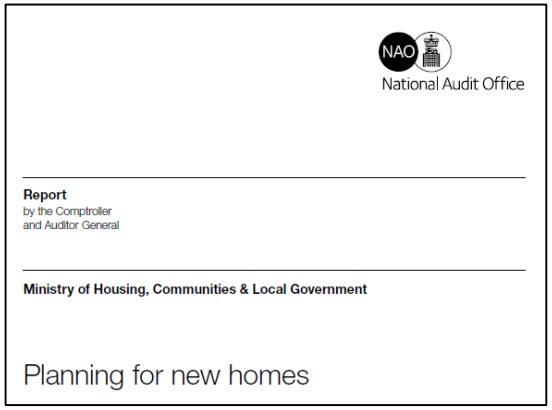
- the process of setting the need for new homes;
- the reductions in local authority capability;
- the under-performing Planning Inspectorate; and
- failures in the system to ensure adequate contributions for infrastructure.

The report recognises that MHCLG's new National Planning Policy Framework is an important step, but it is too early to tell whether the changes it introduces will be effective. The report also makes a number of recommendations for MHCLG to implement alongside the framework to help the planning systems work more effectively.

The report concludes that the Department and government more widely need to take this much more seriously and bring about improvement if they are to meet their ambition of 300,000 new homes per year by the mid-2020s.

The report is available on the NAO website:

https://www.nao.org.uk/report/planning-for-new-homes/#


NAO
National Audit Office

Report
by the Comptroller
and Auditor General

Ministry of Housing, Communities & Local Government

Planning for new homes

NAO Report

Challenge question:

Has your Authority got a robust plan in place to deliver the additional houses needed over the next five years?

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National Audit Office – Pressures on children's social care

The Local authorities in England have statutory responsibility for protecting the welfare of children and delivering children's social care. In extreme cases they may use their statutory powers to place children in need on protection plans or even take them into care. Local authorities are also responsible for delivering non-statutory services for all children and young people, such as children's centres. The Department for Education (the Department) provides statutory guidance on delivering these functions. It also has overall policy responsibility for children's services, and has the strategic vision that all vulnerable children, no matter where they live, should have access to high-quality support by 2022.

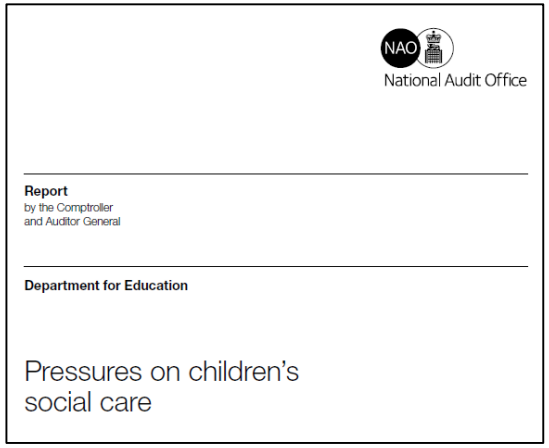
The report sets out recent trends in pressures on children's social care demand and activity and the response of both national and local government to these pressures. It also sets out analysis the NAO conducted about what is causing variations in children's social care demand and activity between different local authorities. The report covers:

- the pressures on children's social care;
- the response of national and local government to increasing demand for children's social care; and
- NAO analysis of what is causing variations in demand for children's social care between local authorities.

The report notes that, while the Department has put in place a programme of reform, it still does not fully understand what is driving demand for children's social care or why there is such wide variation between local authorities in their children's social care activity and costs. It has not yet done the work to tie together available sources of information and therefore lacks a well-informed pathway to achieve its goal. While the Department has recognised the need for this analysis, it will not complete the work until summer 2019. Even if its analysis is completed successfully it will be a tall order for the Department to achieve its goal within three years.

The report is available on the NAO website:

https://www.nao.org.uk/report/pressures-on-childrens-social-care/


NAO
National Audit Office

Report
by the Comptroller
and Auditor General

Department for Education

Pressures on children's
social care

NAO Report

Challenge question:

Has your Authority considered the NAO report, and how any local variations in demands can be addressed?

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CIPFA – Social Care risk tool

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Association of Directors of Adult Social Services' (ADASS) have updated the Social Care Risk Tool; an advisory risk assessment tool for discretionary use by councils with adult social care responsibility.

The tool's objective is to help authorities assess whether unsustainable financial pressures might be faced by the adult social services department. It seeks to do this by assessing the extent to which various risk factors apply. This is the third version of the risk tool and it has been expanded to include new risks that have emerged since the previous version. In addition, a number of risks have been revised to make them clearer.

The risk assessment adopts a survey format and covers the following areas:

- savings;
- local pressures; and
- culture and relationships.

Each of the areas above includes a series of questions (or indicators), and authorities are required to assess whether the indicators are strongly present (score of 5); only present to some extent (scores 2 to 4); or not at all (score of 1). The total score helps to give an indication of where the authority lies. The maximum score is 195 (there are 39 questions altogether) which represents the highest risk possible. Some of the metrics (particularly those relating to unit costs) are more illustrative than prescriptive and local authorities may wish to adjust these to reflect their local circumstances.

To download the tool:

https://www.cipfa.org/cipfa-thinks/health/articles/social-care-risk-tool

CIPFA Social Care risk tool

Challenge question:

Has your Authority completed the Social Care risk tool? Have your Directors shared the results and responses with you?

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Links

Grant Thornton

https://www.grantthornton.co.uk/

http://www.grantthornton.co.uk/industries/publicsector

National Audit Office

https://www.nao.org.uk/report/local-auditor-reporting-in-england-2018/

https://www.nao.org.uk/report/local-authority-governance-2/

https://www.nao.org.uk/report/planning-for-new-homes/#

https://www.nao.org.uk/report/pressures-on-childrens-social-care/

Ministry of Housing, Communities and Local Government

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728722/BRR_Pilots_19-20_Prospectus.pdf

Institute for Fiscal Studies

https://www.ifs.org.uk/uploads/publications/comms/R148.pdf

Public Sector Audit Appointments

https://www.psaa.co.uk/audit-quality/reports-on-the-results-of-auditors-work/

CIPFA

https://www.cipfa.org/cipfa-thinks/health/articles/social-care-risk-tool

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