



Committee and Date

Cabinet

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FINANCIAL STRATEGY 2018/19 to 2022/23

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1. Summary

This report sets out the financial strategy for the Council over the next five years, enabling a balanced budget to be set for the years 2018/19 to 2019/20 and considers the potential to set a sustainable and balanced budget in the years beyond.

This is the third financial strategy report considered by Cabinet this financial year and provides information and recommendations on the Council's proposals to manage its financial position over the next five years and to meet its statutory obligations to set a legal budget for 2018/19.

Following an extensive exercise to model growth in costs over the summer period, and a review of available resources, the first financial strategy of the financial year was approved by Cabinet on 18 October 2017 and set out the projected funding gap over the current parliamentary period.

The Financial Strategy approved by Cabinet on 10th January 2018 proposed a combination of approaches to close this funding gap. These included raising more Council Tax as a result of new freedoms, putting forward further and extensive savings plans and the continued use of one off grants and reserves. These proposals for savings and council tax income have now been rolled into the projected expenditure and resources position. This has the effect of changing the presentation of the funding gap.

In addition, changes to the value of the funding gap arise as a result of improved information including establishing final taxbase figures and collection fund outturns as well as changes brought about by the Provisional Local Government Settlement announced in December 2017 and the Final Settlement which was announced on 6th February 2018.

Table 1 below summarises the movement between the funding gap announced in October and the current position, and where these changes are presentational, or as a result of fundamental change. This results in the remaining structural funding gap for the Council, which needs to be resolved.

Table 1: Projected Funding Gap Movement - Summary

	2018/19 (£)	2019/20 (£)	2020/21 (£)	2021/22 (£)	2022/23 (£)
Funding Gap as at Jan 10th 2018	36,467,901	43,962,531	48,558,987	53,668,794	59,270,364
Presentational Changes (impact of proposals approved on 10 January 2018)	-14,323,636	-29,997,269	-25,583,824	-31,229,362	-34,003,377
Revised Values (impact of changes since 10 January 2018)	-1,942,933	-46,857	673,337	2,015,117	1,960,531
Remaining Funding Gap as at Feb 14th 2018 (Structural Gap)	20,201,332	13,918,405	20,648,500	24,454,549	27,227,518

This report continues to focus on the work completed to date to close this funding gap. As outlined in October, the approach to address the funding gap was built on four key pillars; innovate, raise income, cut services and use reserves to smooth delivery.

This approach has generated a large number of proposals front loaded, where possible, to 2018/19 and 2019/20. It is projected that these proposals, in total, will deliver over £43m of savings in base-budget by 2022/23. Details of the individual proposals are provided in Appendix 4.

After application of the savings proposals in Appendix 4, adjustments as a result of the provisional and final settlement, finalised taxbase and collection fund figures; one-off government funds can be applied and the budget can be brought into balance by 2019/20 by applying reserves to the remaining gap. Reserves of approximately £6.0m, from the £25m currently available, are estimated to be needed to smooth delivery of savings proposals over the next two years. This approach is acceptable as it will enable a balanced budget to be set in both financial years and, with the delivery of all savings proposals, a balanced budget without the need to rely on reserves can be set in year 2.

2. Recommendations

It is recommended that Members:

- A. Agree and recommend to Council the 2018/19 budget of £582.151m outlined in the Budget Book at Appendix 7, including the savings proposals outlined in Appendix 4.
- B. Note the changes required to the 2018/19 budget as a result of the Final Local Government Settlement and revised business rates and collection fund estimates.
- C. Note the revised funding gap for the years 2019/20 to 2022/23.
- D. Agree and recommend to Council the revised Capital Programme as set out in the report and detailed at section 8 and Appendix 8.

- E. Note the continued use of the Policy for Flexibility around the use of Capital Receipts.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1. The development and delivery of the Council's Financial Strategy is the key process in managing many of the Council's strategic risks. The opportunities and risks arising are assessed each time the document is refreshed for Cabinet consideration. The Council's Strategic Risks are reported separately, but the Financial Strategy makes specific reference to the Council's ability to set a sustainable budget (the highest of the Council's key strategic risks). Other risks associated with or mitigated by the setting of an approved Financial Strategy are listed below:

- ICT Provision
- ICT Digital Transformation
- Future Funding Levels

- 3.2. Setting the Financial Strategy and agreeing the detailed changes necessary to deliver the agreed budget for the next financial year, will take into account the requirements of the Human Rights Act, any necessary environmental appraisals and the need for Equality and Social Inclusion Impact Assessments (ESIAs) and any necessary service user consultation.

4. Financial Uncertainty

- 4.1. Information on the Government's Fair Funding Proposals have not as yet been forthcoming and, in fact, implementation has been delayed by at least twelve months to 2020/21. It is not possible, therefore, to calculate the impact of these changes on Shropshire Council. The option to create a definitive long-term financial strategy is consequently not available. The Council can, however, develop a plan for a sustainable budget based on the information currently available. With a focus on innovation and raising income, the need to cut services beyond the levels already proposed to deliver a balanced budget remains an unquantifiable risk. Furthermore, a focus on income generation, for example, brings with it further risks such as security and longevity of income streams, whereas service cuts, by their very nature, represent a highly secure approach to reducing costs.
- 4.2. The Council's financial position will impact on service delivery, both statutory and non-statutory, in future years. This report includes a number of saving proposals for service reductions which are necessary to contribute towards delivering a balanced budget over the medium term. These proposals were recommended for approval by Cabinet on 10th January 2018. The proposals have been and will continue to be given detailed consideration to ensure the Council is not placed at risk of being unable to deliver statutory functions to an appropriate quality.

4.3. The Final Local Government Finance Settlement from February 2016 provided details for the financial years 2016/17 to 2019/20. In addition, Central Government offered to provide all local authorities with a confirmed multi-year offer (to 2019/20) where any Council was prepared to provide details of its efficiency statement before the deadline of 14 October 2016. Shropshire Council agreed to accept this offer and as a result the following allocations provided in the final settlement are now expected to be honoured:

- Revenue Support Grant (RSG)
- Rural Services Delivery Grant (RSDG)
- Transition Grant (2016/17 and 2017/18 only)
- Business Rates Top-Up Grant

Whilst the offer does not cover the following key grants (meaning they cannot be guaranteed) they do appear in the Local Government Settlement so they have been built in to 2019/20. Whether these will continue beyond this point is uncertain.

- New Homes Bonus (NHB)
- Improved Better Care Fund (IBCF)
- Additional Better Care Fund (ABC)

4.4. There is further uncertainty in the short term as IBCF and ABC are being reviewed again by central government. A number of local authorities are being targeted and details of their spending proposals are being challenged which could result in changes to the funding mechanism. To help mitigate risks all core grants identified in the two lists above have been considered as one-off funding. Reliance on these funds, however, has still been assumed over the medium term.

5. The Funding Gap – Background Information

5.1. To establish the initial gap in October 2017 extensive work was undertaken to revise expenditure and resource projections. Significant changes as a result of this work included identifying:

- Additional pressures as a result of growing demand and demographic changes particularly in Children's services, alongside known growth in Adult Services;
- The cumulative impact of changes and loss in funding that are, nevertheless, tied to the statutory delivery of services
- Increased inflation requirements for major contracts;
- Savings proposals that have previously been drawn up by officers, but have not been achieved or approved for delivery due a number of contributory factors;
- Continued Government funding reductions.

5.2. As described in the 18 October 2017 Financial Strategy, the Council's financial position can be summarised as growth in Adult Social Care, growth in Children's services and the costs of other statutory responsibilities that

are not affordable under the current funding and expenditure model. The use of one-off funds in the 2016/17 and 2017/18 financial year has been a reasoned and reasonable approach to tackling the financial uncertainty surrounding all local authorities in the lead up to a fundamental change in national funding formulae which we believed to be imminent at that time. The use of one-off funds is, however, masking and not solving the Council's underlying financial position where expenditure continues to outstrip resources. Decisive action in the short term is now critical to bring this worsening situation under control.

- 5.3. The Financial Strategy is based upon delivery of a balanced budget over the Medium Term. Each year the delivery of services and savings proposals is monitored and reported to Cabinet on a quarterly basis. The impact of significant additional pressures (for example, demographic pressures in Adult Services) and the non-achievement of savings proposals impact not only on the relevant financial year, but also in future years of the Strategy. In previous years there has been an ability to freeze spending elsewhere in the budget to compensate for these pressures. In the future, there is a significant risk that there will be insufficient controllable budgets left in the Council to mitigate pressures appearing elsewhere. This may mean that reserves held for emergencies instead become relied upon to cover known pressures. If reserves are depleted in this way, the Council's funding position will quickly become unsustainable.

6. Changes to the Funding Gap since October 2017 and January 2018

- 6.1. The funding gap presented to Cabinet in October 2017 and also in January 2018, has been revised in this report due to a number of factors. There have not been any changes to base assumptions of growth pressures but instead changes of a presentational nature as well as value changes resulting from finalisation of the taxbase, collection fund outturn and changes arising as a result of settlement announcements have been made. These are described below.
- 6.2. Changes of a presentational nature include:
- The January 10th Cabinet report put forward proposals for closing the funding gap which included increasing the core council tax from the previously assumed 1.99% to 2.99% as a result of freedoms announced in the Chancellor's November budget. This was previously shown as a way of closing the funding gap but is now shown correctly in this report as an increase in Resources.
 - The January 10th Cabinet report put forward proposals for closing the funding gap which included reprofiling the ASC precept from 2% in 2018/19 to 3% in 2018/19 (dropping to 1% in 2019/20 and remaining within the 6% limit between 17/18 and 19/20). This additional ASC Precept income was previously shown as a way of closing the funding gap but is now shown correctly in this report as an increase in Resources.

- The January 10th Cabinet report included new savings proposals put before Cabinet in both October 2017 and January 2018 totalling £43.079m. These proposals cover a range of initiatives including innovation, raising income and cuts to services. These were shown as a way of closing the funding gap in the October and January reports. These proposals are now shown in the Expenditure build up as well as the Resources build up where relevant. This enables the correct budget to be reflected and the correct control totals to be produced.

6.3. Changes in funding include the following items:

- The taxbase for 2018/19 was confirmed in a report to Council on December 14th 2017. It has increased by 2.37% compared to last year's estimates. The additional resource that this generates is shown within Resources. This change impacts on previous assumptions for both core council tax and ASC precept.
- The collection fund outturn for 2017/18 has also now been estimated and shows an overall deficit of £0.130m. This is reflected in the revised Resources position.
- Recent Business Rates estimates show that estimated business rates income will increase. This is mainly as a result of changes to the business rate multiplier set by the government. This is now reflected in resources and helps reduce the previous funding gap.
- There are some changes to both specific and core grants which are now reflected in resources. Most notably these changes include an increase in the assumptions for New Homes Bonus and a reinstatement of the cut to the Rural Services Delivery Grant (RSDG) expected in 2018/19. Both of these changes were announced in the provisional settlement in December. A further increase in RSDG of £1.306m was announced in the Final Settlement and this is also reflected in the revised income and expenditure figures.
- Additional Adult Social Care Support Grant was allocated to Shropshire Council in the Final Settlement amounting to £0.871m and this has also been included for 2018/19 as additional resources.
- Other changes include an estimated increase in salary costs as a result of the National Employers final pay offer and adjustments to fees and charges.

6.4. These changes are summarised in Table 2 below:

Table 2: Projected Funding Gap Movement – Detail

	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Gap at January 10 Cabinet	36,467,901	43,962,531	48,558,987	53,668,794	59,270,364
Presentational Changes:					
Move extra Core Council Tax increase into resources	- 1,366,228	- 1,393,810	- 1,422,998	- 1,453,838	- 1,486,380
Move ASC precept reprofiling into resources	- 1,366,228	51,491	22,304	7,394	39,937
investment and savings relating to taxbase	- 11,591,180	- 28,654,950	- 27,183,130	- 29,768,130	- 32,477,060
TOTAL PRESENTATION CHANGES	- 14,323,636	- 29,997,269	- 28,583,824	- 31,229,362	- 34,003,377
Gap at February 14th after presentational changes	22,144,265	13,965,262	19,975,163	22,439,431	25,266,987
Value Changes:					
Collection Fund Deficit	130,111	-	-	-	-
Taxbase Changes	- 887,482	- 1,006,494	- 1,085,327	- 1,167,625	- 1,255,894
Business Rates	- 489,136	- 317,731	- 279,743	- 241,068	- 201,694
RSG	-	-	34	16	-
Specific Grants	907,530	50,160	322,090	694,340	187,410
Core Grants (RSDG and NHB)	- 2,473,943	- 1,516,251	- 1,888,500	- 2,260,750	- 1,379,000
Additional future election cost	-	-	-	700,000	-
Pay Award	870,000	1,755,000	2,660,000	3,585,000	4,525,000
Other Fees & Charges and Adjustments to gross	13	1,088,779	944,851	705,236	459,530
TOTAL VALUE CHANGES	- 1,942,933	- 46,857	673,337	2,015,117	1,960,531
Revised Gap at February 14 Cabinet	20,201,332	13,918,405	20,648,500	24,454,548	27,227,518

- 6.5. Current indications from the 2017/18 in-year financial monitor suggest that Adult Social Care and Children's Services demand driven growth will now exceed forecast expectations. Work is now focussed on understanding the reasons behind these increases and a spending freeze has been put in place for the remainder of the 2017/18 Financial Year. These pressures can be managed in year through the use of one off grant funding but will impact the funding gap adversely if the growth continues in future years.

7. Closing the Gap

- 7.1. This strategy relies on a total council tax increase of 5.99% in 2018/19. This takes advantage of the recently announced 1% increase to the cap for Core council tax and also takes the opportunity to reprofile the ASC precept to raise 3% in 2018/19, reducing to 1% in 2019/20 which remains within the 6% limit across the three year period but by raising the tax earlier realises a net benefit of £1.375m in 2018/19, helping to reduce the reliance on reserves in that year.
- 7.2. There is also a reliance on reductions in expenditure arising due to an extensive £43m programme of savings over the next four years. These savings strategies were approved at Cabinet in October 2017 and January 2018.
- 7.3. In relation to the savings programme, Cabinet and officers have been reviewing the options for delivery of a sustainable budget by focusing on the following four key pillars, in priority order:

Innovate	Focus on the highest priority areas and those most likely to provide greatest reward including Children's Services, Digital Transformation and Health and Adult Services
Raise Income	Focus on investment and commercial activity
Cut Services	Reconsider the core services the Council will continue to provide and focus resources on that core offer only. Once decided, make these decisions as quickly as possible.
Use Reserves	In a strategic manner to enable and smooth the delivery of the above.

7.4. The net total of proposals brought put forward to Cabinet in both October 2017 and January 2018 is shown in Appendix 4 and the following paragraphs describe those falling into each delivery pillar.

Innovate

7.5. By focusing on innovation, we have been able to identify a number of proposals that can deliver up to £21.4m of savings by 2022/23. Details of these proposals are included in Appendix 4.

7.6. An important element of closing the funding gap is the contribution of the Council's Commercial Strategy and Economic Growth Strategy as well as high profile projects such as digital transformation. It is crucial that such strategies and projects deliver savings through investment and transformational change. These strategies are key in supporting delivery of savings from innovation. As a result services will be delivered in different ways in the future; through a reduced physical estate, through more efficient back office systems and via a push to greater digital access from the public.

7.7. Key innovation savings brought forward in this report include:

- £3.0m from making efficiencies to our administrative buildings, using a smaller number of buildings and making those we do use more energy efficient and delivered on a more commercial basis.
- £10m from the Digital Transformation Programme which will revolutionise the way systems and processes are managed within the Council and to the public, of which £1m is proposed to be delivered in 2018/19. Appendix 5 provides an update as to the current status of the programme.

7.8. The total of proposals put forward under this key pillar is shown in Table 3 below:

Table 3: Innovation Savings

£'000	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Savings from Innovation	-2,838,920	-12,066,440	-2,403,210	-1,850,000	-2,250,000	-21,215,170

Raise Income

7.9. By focusing on income generation, we have been able to identify a series of proposals that together could deliver up to £17.3m of savings to the Council by 2022/23. Details of these proposals are all included within the figures in Appendix 4.

7.10. A new strategic approach for the Council is to become more commercial and look to ways to replace government funding through the generation of income from local sources. The council's Commercial and Economic Growth Strategies provide a huge impetus for the delivery of savings in this area. Key savings identified include:

- £10.7m from investment in assets including Shrewsbury Shopping Centre and other property within Shropshire.
- £1.6m from making changes to the local Council Tax and Business Rates schemes to increase council resources.

The total of proposals put forward under this key pillar is shown in Table 4 below:

Table 4: Proposals to Raise Income

£'000	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Savings from Raising Income	-5,450,000	-5,250,000	-2,600,000	-2,000,000	-2,027,000	-17,327,000

Cut Services

7.11. It is inevitable, given the projected financial position facing the Council, that reductions in services, or removal of some services altogether, is necessary in the short to medium term. The focus on innovation and income generation has reduced some of the necessity for service cuts, but nevertheless £4.3m of proposals have necessarily been identified for delivery by 2022/23. Details of these savings are included in Appendix 4.

7.12. The Council's Corporate Plan has provided a focus for the core services that we need to protect into the future. Other services that do not meet essential criteria may not be financially viable in their current state under the Council's future funding regime. Some examples include:-

- £0.6m from revisions to transport provision.
- £0.8m from a review of community based facilities and working
- £0.6m from reviewing support services costs.

7.13. The total of proposals put forward under this key pillar is shown in Table 5 below:

Table 5: Proposals to Cut Services

£'000	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Savings from Cutting Services	-1,752,260	-1,890,130	-509,970	0	-191,930	-4,344,290

7.14. Two proposals have been put forward that will generate significant savings from a reduction in discretionary spend in Highways Maintenance and Adult Services preventative spend. Inclusion of these proposals as savings for 2018/19 and 2019/20 delivers a total of £11m across the two years and enables the budget to be balanced by 2019/20. These proposals, delivered on a permanent basis and alongside an extension of government one-off funds, could deliver a balanced budget in the longer term, through to 2022/23. These proposals are included in Appendix 4 and are shown in Table 6 below.

Table 6: Permanent Savings that may be reversible ¹

£'000	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Highways Maintenance	-5,000,000	0	5,000,000	0	0	0
ASC Preventative Spend	-500,000	0	500,000	0	0	0

7.15. In reality the highways saving has already been reduced to reflect an estimated contribution from Car Park income as a result of the successful implementation of the new Car Parking strategy. This has been factored into the overall savings totals that can be achieved, but this saving is separately identified and it is important that this contribution is recognised. Without this investment from car parking income, highways spend will be lower in future years.

¹ These savings will be made on a permanent basis, but will be reviewed in 2020/21. At that point in time, if sufficient alternative proposals are in place (for example, if 100% Business Rate Reduction and Fairer Funding provide a sustainable funding base for the Council) then they may be reversed. This reversal is illustrated in Table 5.

Cost of funding investment

- 7.16. A number of the proposals shown in Appendix 4, particularly in terms of innovation and income generation, will require borrowing to be undertaken to finance initial investment. The authority is able to borrow at relatively low rates through the Public Works Loan Board to finance investment in assets and economic growth. This cost of financing, including interest and repayment, has been estimated and shown as a total value in each year to net off against the total savings identified for that year.
- 7.17. These strategies enable a restatement of expenditure and resources assumptions which helps to close the gap to a certain degree but a gap still remains.
- 7.18. After the application of one of government grants such as Rural Services Delivery Grant, New Home Bonus and the Improved Better Care Fund The Council has approximately £25m of reserves which can be applied to the remaining gap. In doing so it is possible to balance the budget until 2020/21 when an unfunded gap of £0.19m remains. This unfunded gap rises to £26m in 2022/23. It is anticipated that the Government will announce the Fairer Funding proposals which will be required to stabilise the future position otherwise further cuts will be required.

Use of one off funding and reserves

- 7.19. Appendix 3 shows the one-off funding sources which are currently being applied to begin to close the Council's funding gap. Government one-off funding includes use of the New Homes Bonus, Rural Services Delivery Grant and Improved Better Care Funding. There is no guarantee that these will continue into the future, and certainly not beyond 2019/20 (as this is the extent of the multi-year settlement offered by Central Government). It has been assumed, however, that New Homes Bonus will continue as a four (rather than six) year cumulative grant for the long term.
- 7.20. The final settlement, received on February 6th announced an increase of £1.306m to the Rural Services Delivery Grant and a further allocation of Adult Support Grant of £0.871m. These are assumed for 2018/19 and are applied as one-off funding to close the funding gap.
- 7.21. One-off Council funding is comprised of £25m of reserves. These are shown in table 7 below and described in the paragraphs which follow.

Table 7: Reserves

	<i>Total £</i>	<u>Application of Reserves</u>		
		<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>
		£	£	£
1. Reserves created from savings achieved early in previous years	8,851	8,851		
2. Adult Services Contingency	3,000,000	3,000,000		
3. Collection Fund Adjustments - Additional S.31 Grant	1,837,851	1,837,851		
4. Earmarked Reserves Freed Up	6,374,722	196,564		6,178,158
5. Conditional Reserves Freed Up	13,334,679	2,089,995	-1,149,172	12,393,856
Total Reserves available from 2018/19 onwards	24,556,104	7,133,261	-1,149,172	18,572,014

- 7.22. There is a £0.008m available from the early achievement of savings in prior years which can be applied to the funding gap in future years.
- 7.23. There is also an amount of £3.000m which was set aside in 2016/17. In 2016/17 the adult services growth model was introduced to forecast purchasing pressures and an amount of growth was held back in contingency in case the model assumptions were flawed and it was required to bring purchasing into balance. The balance was not required in that year and can now be applied to the funding gap in future years.
- 7.24. Following completion of the collection fund outturn estimates £1.838m of additional S.31 grant has been confirmed which will be received in 2017/18 but requires applying in 2018/19. This will be carried forward through reserves and applied appropriately next financial year.
- 7.25. During 2016/17 a review of all of the Council's reserves took place to identify balances which were no longer required. £10.409m of funds were identified from 42 different balances. These were transferred to the financial strategy reserve at the end of 2016/17. A total of £4.034m will be applied against the funding gap in 2017/18 and the remainder is available to apply in future years as shown in Table 7 above.
- 7.26. During 2016/17 balances held for redundancy and IT were identified as available to put towards the funding gap on the basis that they will be replaced by Capital Receipts in future years. This takes advantage of the greater flexibilities around the use of capital receipts which allows the council to utilise capital receipts generated to fund the revenue costs of service reform. It does, however, deplete the amount of capital receipts that can be applied for other purposes. Any threat to the generation of capital receipts would compromise the ability to release this one-off funding. A total of £13.342m was identified and moved to the financial strategy reserve at the end of 2016/17. A small amount will be used in 2017/18 and the remainder is available to close the funding gap from 2018/19 onwards. Part of the increase in costs within the strategy arises as a result of the increase in pension contribution costs from 13.5% to 14.8% during 2017/18. The strategy shows conditional release reserves being applied against this cost in the first instance but this is merely for presentational purposes.

7.27. It is a high risk strategy to apply all available reserves in full and early in the budget plan. It is preferable to use the available reserves to smooth the delivery of savings (some of which may take longer than others to achieve) and manage the Council's financial position over a five year planning horizon. This means, however, achieving a higher level of savings in the early years.

Impact on the Council's Funding Gap

7.28. Table 8 below shows the revised funding gap (as shown in Table 1 above) which includes the savings proposed at Appendix 4. The table then shows the revised financial position after application of all available one-off government funds and the application of available reserves. In summary, based on the work undertaken to date a balanced budget can be achieved for 2018/19 and 2019/20.

Table 8: Impact on the Council's Funding Gap

	2018/19 (£)	2019/20 (£)	2020/21 (£)	2021/22 (£)	2022/23 (£)
Revised Funding Gap as at Feb 14th 2018	20,201,332	13,918,405	20,648,500	24,454,549	27,227,518
Government One-Off Funding available in each year	13,068,070	15,067,578	1,888,502	2,260,750	1,379,000
Reserves	7,133,261	-1,149,172	18,572,014	0	0
Funding Gap Remaining in each year (As Per Appendix 3)	0	0	187,984	22,193,799	25,848,518

8. Capital

8.1. This section of the report updates the Capital Programme for the period 2018/19 to 2020/21. This update is a holding position of the previous programme, updated to reflect new confirmed funding and the delivery schedule for schemes.

8.2. The Council is developing business cases for a number of proposed large schemes, although at this stage the business cases are not finalised. As a result these schemes cannot be considered at this point for inclusion in the capital programme and reports will come forward as necessary at future dates.

Capital Allocations 2018/19 to 2020/21

8.3. The capital programme report 2017/18 to 2019/20, approved Council 23 February 2017, contained details of confirmed and indicative capital grants allocations. Where the Council has received updated confirmed allocations, these have been built into the updated capital programme. Any changes to capital allocations have been passported through to the service area, as will any allocations still to be confirmed. The following section details these allocations.

- 8.4. **Department of Education – Schools Programme.** The Department of Education has previously confirmed Basic Need allocations through to 2018/19 and indicative allocations of Condition grant for 2017/18. The Condition allocation is revised annually to reflect schools moving responsible body, opening or closing, and final confirmation of the 2018/19 allocation is awaited, a provisional figure of £2.5m has been assumed for budget setting purposes. The same confirmation is required for the 2018/19 Devolved Formula Capital grant allocation. Once confirmed these will be built in the capital programme and reported through the quarterly Capital Monitoring report. There are currently no future indicative allocations published for 2018/19 onwards.
- 8.5. In addition to the new funding allocations expected for 2018/19 there is significant funding that has been brought forward from previous year's capital programmes. The table below summarises the funding currently available in the 2018/19 Learning & Skills Capital Programme.
- 8.6. This funding has been allocated by programme areas and individual schemes as detailed in the Capital Programme (see Appendix 8). This is a combination of schemes slipped from 2017/18, multi-year schemes and allocations by programme area, which will be allocated to specific schemes based on school priorities. Learning & Skills have developed a programme to utilise all the above funding and expected funding that will be available to them in 2018/19, with Condition works being the largest area of the programme and this has been fully allocated against individual school schemes to be delivered in 2018/19. Further consideration will be made to the deliverability of a programme consisting of the brought forward funding and the 2018/19 funding of Basic Need grant in the financial year, once the full programme of schemes is approved.

Table 9: Learning & Skills Capital Funding

Funding	2018/19 Funding		
	B/F Funding £	New Allocation £	Total £
Basic Need	1,354,815	0	1,354,815
Condition (<i>provisional</i>)	0	2,500,000	2,500,000
DFC (<i>pending for 18/19</i>)	700,000	0	700,000
Special Provision Allocation	0	166,667	166,667
Capital Receipts	4,474,392	0	4,474,392
Revenue Contributions	14,293	0	14,293
Total	6,543,500	2,666,667	9,210,167

- 8.7. In addition to the above funding, £1.625m is currently projected to be generated in future years from the disposal of surplus former school sites, following Department of Education approval to dispose of the sites. These

receipts are ring fenced for investment in Learning & Skills capital schemes as previously agreed by Council as part of the amalgamation programme.

- 8.8. **Department of Transport** - Local Transport Plan (LTP). The Department of Transport previously announced allocations of funding for Highways confirmed through to 2017/18 and indicative allocations for 2018/19 to 2020/21. The Shropshire allocations are detailed in Table 10 below.
- 8.9. In addition to the LTP allocations further funding is expected for Pothole repairs which will be allocated nationally by formula shared by local highway authorities based on the road length for which each authority is responsible. The funding announcement for 2018/19 is yet to be confirmed and will be reported through the first available quarterly monitoring report.
- 8.10. There is a further £578 million that will be allocated nationally based on incentivising good asset management and efficiencies. Shropshire Council has submitted the required self-assessment exercise to Department for Transport for 2018/19 and is awaiting confirmation of the additional funding to be received for 2018/19. It is expected that Shropshire Council will be accredited with a Level 3 award (the top level).

Table 10: Department for Transport LTP allocations

Funding	2018/19 Indicative Allocation £	2019/20 Indicative Allocation £	2020/21 Indicative Allocation £
Highways Maintenance	13,275,000	13,275,000	13,275,000
Integrated Transport	1,626,000	1,626,000	1,626,000
Pothole Fund	0	0	0
Incentive/Efficiency Element Funding	0	0	0
Total	14,901,000	14,901,000	14,901,000

- 8.11. Within the Department for Transport Roads Funding 2017/18 announcement Shropshire was identified as one of the Local Highways Authorities which was deemed to have one of the most dangerous local roads in the West Midlands area where the risk of fatal and serious collisions is highest, based on analysis by the Road Safety Foundation. Two sections of road on the A529 in the North East area of the County have been identified and Shropshire Council has been invited to submit proposals to improve safety on this road. If confirmed as successful Shropshire Council could receive additional funding of circa £3.8m for works scheduled over a 2 to 3 year period.
- 8.12. A summary of how the Department for Transport funding has been allocated across service areas within Highways and Transport is provided in Table 10 below:

Table 10: Highways Capital Programme & Financing 2018/19

Funding	Maintenance Block	Integrated Transport	Total
	£	£	£
Structural Maintenance of Bridges	1,500,000		1,500,000
Structural Maintenance of Roads	5,601,000		5,601,000
National Productivity Fund – to be confirmed			
Street Lighting	800,000		800,000
Total Highways	7,901,000	0	7,901,000
Integrated Transport			
Integrated Transport		1,000,000	1,000,000
Contribution to Shrewsbury Integrated Transport Package		1,000,000	1,000,000
Total	7,901,000	2,000,000	9,901,000

- 8.13. The finance strategy has identified the requirement to reduce the Highways Maintenance Programme by £5m per annum in 2018/19 and 2019/20 in order to achieve approved revenue savings targets. This requirement is reflected in the 2018/19 budget shown in the above table.
- 8.14. The highways capital maintenance programme is developed based on an Asset Management approach. With funding allocations based on using network intelligence gained from routine condition surveys as well as other sources of information; investment will be prioritised where it will achieve the greatest returns.
- 8.15. Integrated transport schemes are prioritised based on the contributions to key objectives such as safety, network efficiency, environmental benefits and levels of local support. For the next few years an element of the funding will be used to support the Shrewsbury Integrated Transport Package scheme.
- 8.16. **NHS – Better Care Fund.** The Better Care Fund includes capital grant allocations for Disabilities Facilities Grant (DFG). Allocations for 2018/19 are yet to be confirmed, but expected to be broadly in line with the 2017/18 allocation of £2.7m
- 8.17. Additional funding was secured in 2016/17 from the Department for Health Housing and Technology Fund after a successful bid was submitted by Shropshire Council for the sum of £2,415,000 profiled over both 2016/17 and 2017/18 financial years. The award is part of a £25m national programme to deliver sustainable housing solutions for people with learning disabilities in conjunction with community partners. £1.5m of this fund has

been re-profiled to 2018/19 which is permissible under the Grant conditions as this is committed to assisting in a further 23 cases of housing purchases.

- 8.18. **Housing Revenue Account (HRA).** During 2016/17 the Council has undertaken the transition from using the baseline Major Repairs Allowance (MRA) figure in the HRA self-financing determination for Shropshire as the basis for the amount allocated for capital investment. There was a five year transitional period to implement component-based depreciation for the HRA to use for determination of the level of capital investment required in the housing stock.
- 8.19. The HRA has agreed a major repairs programme of £3.911m 2018/19, plus £1.098m slippage from 2017/18. During 2017/18 £0.145m is also included for completion of the New Build Phase 4 programme, financed from ring-fenced capital receipts generated from HRA property disposals and HCA funding.
- 8.20. **Local Enterprise Partnership (LEP).** The Council has been awarded Local Enterprise Partnership (LEP) funding for three projects after submission of business cases in 2015/16, these projects continue until 2020/21
- 8.21. The Council received confirmation of £6m (across 2015/16 to 2018/19) in LEP funding for the Shrewsbury Integrated Transport Package. The scheme will include a number of measures aimed at alleviating congestion and improving town centre pedestrian areas. The scheme will be supplemented by funding from the annual Integrated Transport allocation and developers' contributions through Community Infrastructure Levy and Section 106 contributions.
- 8.22. Following submission of the business case for the Oxon Link Road scheme in 2015/16 the Council was awarded £4.2m (across 2015/16 to 2019/20) towards the total cost of the £12.934m project. The scheme will be supplemented by funding from developer contributions through Section 106 agreements.
- 8.23. Funding from the Local Enterprise Partnership has also been awarded towards the Broadband delivery project. This funding of £5,022,000 (across 2015/16 – 2020/21) has been used in conjunction with funding from BDUK and Shropshire Council to facilitate the upgrade of Broadband provision to premises within Shropshire.

Corporately Financed Capital Schemes

- 8.24. The previous Capital Strategies have reduced the number of corporately financed schemes to align the programme to available resources and avoid the unaffordable ongoing revenue costs of borrowing to finance the programme. The finance strategy has identified the requirement to reduce the Highways Maintenance Programme by £5m per annum in 2018/19 and 2019/20 in order to achieve approved revenue savings targets.
- 8.25. CIPFA published a revised Prudential Code in December 2017 which requires that all Local Authorities produce a detailed Capital Strategy for

2019/20 onwards. The Capital Strategy needs to be tailored to the authority's individual circumstances and is intended to provide the following:

- A high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services.
- An overview of how the associated risk is managed.
- The implications for future financial sustainability.

A revised Capital Strategy will be produced in order to meet this legislative requirement from 2019/20.

8.26. The revised capital programme, following the grant changes and the review of the capital programme is detailed in Appendix 8 and a summary of the programme and the financing is provided in Table 11 below.

Capital Programme 2018/19 to 2020/21

Table 11: Capital Programme 2018/19 to 2020/21

Service Area	2018/19 Budget £	2019/20 Budget £	2020/22 Budget £
General Fund			
Place & Enterprise	31,151,398	17,221,323	15,401,000
Adult Services	1,509,968	0	0
Children's Services	9,210,167	166,667	166,667
Public Health	300,000	0	0
Resources & Support	6,060,200	0	0
Total General Fund	48,231,733	17,387,990	15,567,667
Housing Revenue Account	5,166,075	3,760,950	0
Total	53,397,808	21,148,940	15,567,667
Self-Financed Prudential Borrowing	8,197,000	0	0
Government Grants	28,969,300	20,272,359	15,453,379
Other Grants	2,541	0	0
Other Contributions	207,699	0	0
Revenue Contributions to Capital	0	0	0
Major Repairs Allowance	4,526,210	3,760,950	0
Corporate Resources (Capital Receipts/Prudential Borrowing)	11,495,058	2,115,631	114,288
Total Financing	53,397,808	26,148,940	15,567,667

- 8.27. **Proposed Future Schemes** The Council is currently undergoing a review of its capital investment priorities and undertaking the production of a Capital Strategy which will support investment decisions going forward and will provide links to support other key strategies. The purpose of the Capital Strategy will be to ensure that all capital investments are consistent with the Council's priorities and service delivery strategies, consider associated risks, recognise financial constraints over the long term and represent value for money. In addition, any capital investments should comply with the Prudential Code for local authority capital investment introduced through the Local Government Act 2003. The key objectives of the Code are to ensure that capital investment plans are affordable, prudent and sustainable.
- 8.28. It has been recognised that the Council's capital investment decisions are no longer solely to support the achievement of social goals, and whilst this remains the focus, there is also the requirement to invest in opportunities that will generate a return on investment for the Council and provide greater resilience going forward. The Capital Investment Strategy will be designed to guide the Council to make appropriate investment decisions within the following areas:
- own fit for purpose, well maintained and appropriate assets for the work of the Council and delivery of its services.
 - ensure that assets contribute to income generation wherever possible.
 - address the maintenance requirements of its current assets.
 - invest in income generating and cost saving capital programmes.
- 8.29. Alongside the Capital Investment Strategy the Council is developing business cases for a number of proposed large schemes. At this stage the business cases are not finalised or are awaiting confirmation of external funding. As a result, these schemes cannot be considered at this point for inclusion in the capital programme. Reports will come forward to consider these once the business cases have been finalised. These reports will also consider the financial implications of the Council financing these schemes and the effect on revenue budgets in the long term.

Capital Receipts

- 8.30. Capital receipt projections are based on current projections of assets to be disposed, the estimated capital receipt they will generate from disposal and the financial year in which the disposal will be completed. There is a high level of risk in these projections as they are subject to changes in property and land receipts and the revised allocated capital receipts; Table 12 shows the capital receipts position across the years of the capital programme.

Table 12: Capital Receipts Projections 2018/19 to 2020/21

Service Area	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £
Corporate Resources Allocated in Capital Programme	13,544,831	2,115,631	114,288
To be allocated from Ring Fenced Receipts	11,271,870	2,914,688	0
Total Commitments	24,816,701	5,030,319	114,288
Capital Receipts in hand/projected:			
Estimated carry forward	18,413,578	0	0
Projected - Green	1,500,000	0	0
Total in hand/projected	19,913,578	0	0
In year Shortfall/(Surplus) to be financed from additional capital receipts/Prudential Borrowing	4,903,122	5,030,319	114,288
Further Assets Being Considered for Disposal	15,306,844	520,000	0

- 8.31. The above capital receipt projections for 2018/19 to 2020/21 are based on current scheduled disposals that are profiled for each year. A number of proposed disposals are, however, subject to business case approval against the Council's disposal protocol. Those listed as Green are where it is rated as 'highly likely' that the disposals will be completed in year. In addition to these there are a number of further assets that have been identified for potential disposal in future years. These receipts hold significant risk against delivery and therefore until the plans for disposal against these assets are formally agreed, these will not be included when considering the programmes affordability. The current programme has a shortfall in total of £10,047,729, between 2018/19 and 2020/21, against low risk capital receipts. Identified medium to high risk disposals of £15,826,844 over the same period provide a potential solution. Further work is required on the deliverability of the list of assets being considered for disposal to address this shortfall going forward.
- 8.32. If the Council cannot generate the required level of capital receipts there will be a requirement to further reduce or re-profile the capital programme or undertake prudential borrowing, which will incur revenue costs that are not budgeted in the revenue financial strategy.

Policy for Flexibility around the use of Capital Receipts

- 8.33. The council will continue to take advantage of the greater flexibilities around the use of capital receipts offered in the financial years 2016 to 2019 which allow the Council to utilise capital receipts generated in this period to fund the revenue costs of service reform. Any qualifying expenditure under this flexibility must be on any project that is designed to generate ongoing

revenue savings in the delivery of public services and/or transform service delivery to reduce costs or demand for services in future years.

9. Budget Consultation

- 9.1 The Budget Consultation was launched on 10th January 2018. It has been advertised in the Shropshire Council newsroom and via a number of social media channels. A series of infographics have been released via these channels over the duration of the consultation periodically drawing attention to the opportunity to comment. A total of 45 responses have been received to date.
- 9.2 The consultation has drawn responses from a broad cross section of the community. Of the 42 respondents 53% are male and 40% female with the remainder preferring not to say. 27% are between the ages of 65-74 and 16% between the ages of 35-44. Responses have come predominantly from local residents but also those representing a local business or commercial organisation, representatives of local Towns, Parish and Rural Parish Councils, Members of local faith groups or churches as well as local interest or community groups.
- 9.3 The consultation consists of five questions inviting a free text response. By taking this approach we are able to capture the range of opinion rather than a simple positive or negative response.
- 9.4 Question 1 asked the public about council services that they currently receive and whether they would be prepared to pay directly for them or pay more for them rather than see them cut. A number of people perceived that they did not use many council services in the first instance and leisure and library services were listed high on those that the public may consider paying for rather than losing whilst a number said there would be no services that they would consider paying for directly.
- 9.5 Question 2 asked the public whether they thought there were any services that Shropshire Council should consider finding alternative delivery arrangement for rather than them being delivered by the Council. A large number of responses to this question said that services should not be outsourced citing cost, poor quality and lack of accountability as the reasons why. However, a number of respondents listed arts, festivals, music services, museums and visitor attractions in this category as potential services appropriate for alternative delivery arrangements.
- 9.6 Question 3 asked the public for their suggestions as to how the council might raise income or make further savings. A number of respondents used this question to put forward their concern over the shopping centre investment. There were a variety of other responses put forward, including increasing council tax, lobbying government for more money, reviewing the number of councillors and their allowances, making better use of buildings and charging staff to park at work.

- 9.7 Question 4 asked the public to comment specifically on the list of £43m savings put forward in the 10th January Cabinet report. 6 respondents, commenting on behalf of local Town, Parish or Rural Parish Councils, specifically raised concerns over cuts to the Environmental Services Grants. Others are concerned about how the council tax increases will impact on households with low incomes, whether increased parking charges might drive people out of town and whether the shopping centre acquisition will be profitable.
- 9.8 Finally Question 5 invited the public to make general comments on the budget proposals overall. A third of respondents chose to make further comment. Again the responses were varied. In terms of primary themes five people commented that they did not support the shopping centre purchase. Two others did not have confidence in the council overall. Two commented that in their opinion the Council should not be investing in Shirehall and two said the Council needed to invest in preventative services.
- 9.9 In summary, the range of comments showed that a number of respondents had concerns over some of the proposals put forward in the budget but others also commented that the proposals were good and the opportunity to feedback was welcomed. Generally the overall feedback, while limited in number, was balanced and constructive.
- 9.10 The associated infographics and a more detailed summary of responses are shown at Appendix 6.

10 Assumptions and Next steps

- 10.1 With the approval of the £43.079m proposed, gross, savings in this report (and subsequent delivery at these estimated levels) a balanced budget can be achieved for 2018/19 and 2019/20. This position is based on assumptions and actions set out in the following paragraphs.
- 10.2 The Final Local Government Settlement was received on 6 February 2018, making a small number of alterations to the Provisional Settlement released on 19 December 2017. In summary, these had the following implications for Shropshire Council:
- The level of Revenue Support Grant (RSG) and other Core Grants were confirmed at the levels set out in the multi-year settlement (on which the Financial Strategy has been based) with the exception on Rural services Delivery Grant. This grant has been increased (for 2018/19 only) by £1.225m for Shropshire Council in the Provisional Settlement and then by a further £1.306m in the Final Settlement (£2.531m in total).
 - The ability to increase the core Council Tax by an additional 1%, in line with inflation, without holding a local referendum has been granted. This means the potential for a core increase of 2.99%. In Shropshire the core council tax raise of 1% is expected to raise an additional £1.375m compared to our planning assumptions. Alongside a further increase of 3% Social Care Precept, enables a maximum increase of 5.99% in

2018/19. In total these additional adjustments add £2.75m to resources in 2018/19.

- Capital Receipts flexibility has been extended for a further 3 years, which is welcomed but not expected to provide any additional material impact on Shropshire Council's plans.
- A new Fairer Funding Formula is due to be implemented from 2020/21 alongside 75% retention of business rates (rather than 100% retention in 2019/20 as originally published). Retention of 75% business rates would be offset by the removal of RSG and Public Health Grant as a minimum, and the result would be financially neutral to the Council.
- The Final Settlement included an additional Adult Social Care Support Grant for 2018/19 only. As in previous years this has been allocated via the Relative Needs formula, resulting in an allocation for Shropshire Council of £0.871m from the national pot of £150m.

- 10.3 A number of the proposals for investment included within this report have been included based on early assumptions and/or outline business cases, ahead of detailed due diligence work being completed and a full business case produced. An officer-led Capital Investment Board considers all capital investment proposals and these are taken forward providing they meet return on investment and yield criteria set within the Commercial Strategy. For the purposes of the Financial Strategy, assumptions on the value and type of investment to be carried out by the Council, to realise the returns included in the savings proposals within this report, have been used to produce a cost of investment to net off against any gross saving. The cost of investment value will be refined and, as with the investment return, is likely to change from the initial assumptions included in this report. Such variations will have to be managed by close monitoring of the budget, and the application of reserves.
- 10.4 The Council has retained a redundancy reserve which will enable the delivery of a number of the savings proposals identified in this report where staffing reductions will be necessary. The value of this reserve is conditional upon the generation of capital receipts, and it is currently assumed to be approximately £3.6m. Should this reserve be depleted, however, it will be necessary to net-off any additional redundancy costs against savings proposals which would potentially delay delivery of the saving.
- 10.5 The savings proposals set out in the report have been allocated to financial years on the basis of a review of lead time and implementation. It is acknowledged that certain factors critical to the successful delivery of some of these proposals may not be within the direct control of the Council, and allowance has been made for this, up to a point. There is no scope within the financial plan to delay the delivery of any of the proposals.
- 10.6 Cabinet is due to consider a report setting out fees and charges proposals across the Council on 14 February 2018. Where possible, the impact of any assumed increases has been taken into account in the growth model and savings proposals already included within this report.

- 10.7 Following approval of the savings proposals on 10 January 2018 by Cabinet, a consultation period commenced which is due to conclude before Council approves the budget in February. Consultation will continue following Cabinet on 14 February, right up to Council on 22 February and the Leader will verbally update Council should any significant implications from consultation be identified that cannot be included in this report.
- 10.8 If these proposals are not approved another option to achieve a balanced budget would be to put Council Tax increases to a local referendum as. This would allow the authority to generate Council Tax income over and above the proposed limit of 5.99%. If set at the correct level this extra income would negate the need to make some of the savings.
- 10.9 As announced in the Provisional Settlement on 19 December 2017, a fairer funding formula is expected to be applied to local government funding from 2020/21 and will coincide with the proposed 75% local retention of business rates. For this reason it is important that a balanced budget can be set for the Council in the preceding years 2018/19 and 2019/20. The impact of Fairer Funding may not be known, however, until the provisional local government settlement for 2020/21 which would be released in December 2020. This provides minimal time to set the budget given the potential for significant change from the current modelled figures. As a result, the Council is proposing to put in place a number of actions to mitigate against the risk that a fairer funding deal does not materially improve the Council's financial position. These mitigations include:
- Ensuring that savings proposals are in place and the maximum level of reserves are retained to ensure the Council does not encounter a cliff edge in its financial position ahead of fairer funding.
 - Ensuring that the General Fund Balance is risk assessed and set at an appropriate level ahead of the 2020/21 financial year.
 - Delivering a number of permanent savings that may be reversible. That is to say, savings in Highways and Adult Services that would only be reversed if the Council's financial position is improved as a result of fairer funding.
- 10.10 The current Multi-year settlement provides some certainty for Shropshire Council funding for the years 2018/19 and 2019/20. This includes funding for two main core grants RSG and Rural services Delivery Grant (RSDG). In addition, but not included in the multi-year settlement (nor in the provisional settlement), central government have indicated that Improved Better Care Funding (iBCF) allocations will continue to 2019/20 also. In 2019/20 these grants (excluding RSG which is considered separately) are estimated to total approximately £14m. While these grants are unlikely to continue following the adoption of a fairer funding approach, it is conceivable that, contrary to our planning assumptions, a national formula could take account of this level of funding within any calculation.
- 10.11 It is possible, taking the above into account, to construct a scenario that delivers an approximation of a longer-term sustainable budget. While this is based on a number of assumptions (at the time of writing and under the

current funding model), with the delivery of all £43m savings shown within this report, plus extension of iBCF and RSDG into later years, plus permanent delivery of the savings in Highways and Adult Services (para 7.14 above), plus extension of the 1% Council Tax increase, it would be possible to deliver a balanced budget (with the use of some reserves) through to 2022/23. While this is a highly caveated suggestion, it does, nevertheless, identify a financially aspirational target for a sustainable budget that the Council can use as one of a number of planning assumptions over the life of the current parliament. This suggestion is exemplified by taking Table 7 above and amending it, as in Table 13 below, to include the points raised above (amendments highlighted):

Table 13: Aspirational Proposal to deliver a Sustainable Budget

	2018/19 (£)	2019/20 (£)	2020/21 (£)	2021/22 (£)	2022/23 (£)
Revised Funding Gap as at Feb 14th 2018	20,201,332	13,918,405	20,648,500	24,454,549	27,227,518
Government One-Off Funding available in each year if extended	13,068,070	15,067,578	15,067,578	15,067,578	15,067,578
Additional 1% Council Tax (see paragraph 7.2, if extended)		1,374,605	2,828,767	4,337,744	5,919,097
Savings Proposals – With permanent delivery of reversible savings.			5,500,000	5,500,000	5,500,000
Reserves	7,133,262	-2,523,778	-2,747,845	-450,773	740,843
Funding Gap Remaining in each year (As Per Appendix 3)	0	0	0	0	0

List of Background Papers (This MUST be completed for all reports, but does

not include items containing exempt or confidential information)

Financial Strategy 201819 to 202223: Cabinet 18 October 2017
Financial Strategy 201819 to 202223: Cabinet 10 January 2018

Cabinet Member (Portfolio Holder)

David Minnery

Local Member

All

Appendices

Appendix 1 – Resource Projections
Appendix 2 – Expenditure Projections
Appendix 3 – Funding Gap
Appendix 4 – Gross savings proposals
Appendix 5 – Digital Transformation Update
Appendix 6 – Budget Consultation Feedback
Appendix 7 – Budget Book (to follow)
Appendix 8 – Capital Programme

Appendix 1 - Resource Projections

	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Council Tax	145,638,262	152,618,219	161,485,306	170,866,542	180,794,449
Business Rates:					
Business Rates Collected	40,309,824	41,038,625	41,780,603	42,535,997	43,305,048
Top Up Grant	9,649,310	9,863,325			
			9,863,325	9,863,325	9,863,325
RSG	13,301,166	6,119,050			
			4,079,367	2,039,683	0
Collection Fund:					
Council Tax	2,292,668	500,000	500,000	500,000	500,000
Business Rates	-2,422,779	-500,000	-500,000	-500,000	-500,000
NET BUDGET	208,768,451	209,639,219	217,208,601	225,305,548	233,962,822
Grants included in Core Funding:					
Improved Better Care Fund i	4,328,800	8,153,520	0	0	0
New Homes Bonus	7,121,970	7,151,200	6,909,550	7,238,810	6,497,840
Rural Services Delivery Grant	6,614,131	5,307,640	0	0	0
Adult Social Care Support Grant	871,140	0	0	0	0
CORE FUNDING	227,704,492	230,251,579	224,118,151	232,544,358	240,460,662
Local Income					
Fees and charges (including income savings deliverable from prior years)	72,336,910	73,895,828	75,803,208	77,842,584	80,016,997
Other Grants and contributions	23,061,550	23,061,550	23,061,550	23,061,550	23,061,550
Specific Grants (excluding Core Funding Grants above)	230,566,240	227,526,083	223,449,900	223,040,550	222,752,260
Specific Grants Changes between Feb. & Sept. 2017					
Internal Recharges	8,280,870	8,280,870	8,280,870	8,280,870	8,280,870
TOTAL FUNDING	561,950,062	563,015,910	554,713,679	564,769,912	574,572,338

Appendix 2 – Expenditure Projections

	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Original Gross Budget Requirement	576,847,806	582,151,393	576,934,316	575,362,179	589,224,460
Inflationary Growth :					
Pay	2,606,400	2,656,400	2,711,800	2,768,040	2,819,700
Prices	3,297,385	2,661,433	2,908,430	3,147,842	3,179,325
Pensions	3,555	14,575			
Demography & Demand	10,207,019	7,885,625	9,104,995	9,901,259	11,003,912
Service Specific Pressures	4,434,972	-7,503	9,810	10,230	10,650
Local Generated Pressures:					
Elections	-700,000			700,000	-700,000
Specific Grants Changes between years	1,318,151	-1,363,838	-17,778,993	-80,090	-1,029,260
All other changes in 2016/17	-829,640.00				
Adjustment to Gross budget offset by Income changes	-4,100,760.00				
Savings					
Deliverable Savings from prior years- 2018/19 - Approved	-263,235				
2016/17 and 2017/18 Savings not achievable - Approved	920,920				
<i>Savings from Cabinet 18.10.2017 - For Council Approval</i>	-92,080	-415,300	-154,430	0	
<i>Savings from Cabinet 10.01.2018 (those not moved to resources) - For Council Approval</i>	-14,249,100	-18,791,270	141,250	-3,850,000	-4,468,930
<i>Estimated Cost of Investment - For Council Approval</i>	2,750,000	2,142,800	1484999.98	1,265,000	1,760,000
TOTAL EXPENDITURE	582,151,393	576,934,316	575,362,179	589,224,460	601,799,857

Appendix 3 – Funding Gap

	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Resources	561,950,062	563,015,910	554,713,679	564,769,912	574,572,338
Expenditure	582,151,393	576,934,316	575,362,179	589,224,460	601,799,857
Gap in year	20,201,332	13,918,405	20,648,500	24,454,549	27,227,518
One Off Funding to be used:					
One off Grants:					
Rural Services Delivery grant	6,614,131	5,307,640	0	0	0
Transition Grant - One Off	871,140				
New Homes Bonus - One Off	1,253,999	1,606,418	1,888,502	2,260,750	1,379,000
Adult Social Care Support Grant - One Off	0				
Improved Better Care Funding	4,328,800	8,153,520	0	0	0
Use of Reserves:					
Savings Achieved early and put into reserves	8,851				
Adult Services Contingency 16/17	3,000,000				
Collection Fund Adjustments -Additional S.31 17/18	1,837,851				
Earmarked Reserves - Freed up	196,564		6,178,158		
Freed up Conditional Release Reserves	8,459	-3,245,284	12,393,856		
Freed up Conditional Reserves - Pensions	2,081,536	2,096,112			
TOTAL ONE OFF FUNDING	20,201,331	13,918,406	20,460,516	2,260,750	1,379,000
Remaining Gap to be Funded	0	0	187,984	22,193,799	25,848,518

Appendix 4 – Gross Savings proposals

Adult Services									
			Total value of proposals	-902,290	-1,975,240	-2,009,210	-950,000	-250,000	
Ref	Directorate	Portfolio Holder	Description	2018/19	2019/20	2020/21	2021/22	2022/23	Status
A01	Adults Services	Lee Chapman	Day Services - The outsourcing of Aquamira, Albert Road, Greenacres and Avalon.	0	-96,700	-96,700	0	0	Approved at Cabinet 18/10/2017
A02	Adults Services	Lee Chapman	Joint Training (part 1) - Reduction of costs and increases to course fees	0	-77,000	0	0	0	Approved at Cabinet 18/10/2017
A03	Adults Services	Lee Chapman	Enable - Secure further income from external contracts	0	-50,000	-50,000	0	0	Approved at Cabinet 18/10/2017
A04	Adults Services	Lee Chapman	Positive Steps - Contract review.	0	-43,900	0	0	0	Approved at Cabinet 18/10/2017
A05	Adult Services	Lee Chapman	Use of capital funding to reduce the cost of high cost placements	-50,000	-100,000	-50,000	0	0	Approved at Cabinet 10/01/2018
A06	Adult Services	Lee Chapman	Review of contracts within Housing	-43,790	0	0	0	0	Approved at Cabinet 10/01/2018
A07	Adult Services	Lee Chapman	Review of vacant properties and housing benefit	-25,000	-25,000	0	0	0	Approved at Cabinet 10/01/2018
A08	Adult Services	Lee Chapman	Review of grants	-22,000	0	0	0	0	Approved at Cabinet 10/01/2018
A09	Adult Services	Lee Chapman	Increase in supported living accommodation	0	0	-117,670	0	0	Approved at Cabinet 10/01/2018
A10	Adult Services	Lee Chapman	Review of Housing services	-51,500	-100,000	0	0	0	Approved at Cabinet 10/01/2018
A13	Adult Services	Lee Chapman	Review of Minimum Income Guarantee	-200,000	0	0	0	0	Approved at Cabinet 10/01/2018
A14	Adult Services	Lee Chapman	Review of supporting people contracts	0	0	-206,000	0	0	Approved at Cabinet 10/01/2018
A15	Adult Services	Lee Chapman	Invest in digital health technologies	0	-250,000	-250,000	-250,000	-250,000	Approved at Cabinet 10/01/2018
A16	Adult Services	Lee Chapman	Telecare/Telehealth developments	0	-400,000	-400,000	-200,000	0	Approved at Cabinet 10/01/2018
A17	Adult Services	Lee Chapman	Explore joint housing and social care opportunities with partners	0	-300,000	-500,000	0	0	Approved at Cabinet 10/01/2018
A18	Adult Services	Lee Chapman	Provider market stewardship and micro-commissioning	0	-200,000	-300,000	0	0	Approved at Cabinet 10/01/2018
A19	Adult Services	Lee Chapman	Increased use of social prescribing	0	0	-300,000	-500,000	0	Approved at Cabinet 10/01/2018
A21	Adult Services	Lee Chapman	Review of client property	0	-15,040	0	0	0	Approved at Cabinet 10/01/2018
A22	Adult Services	Lee Chapman	Reduce the cost of care packages by investing in technology	-10,000	-50,000	-40,000	0	0	Approved at Cabinet 10/01/2018
A23	Adult Services	Lee Chapman	Increased shared lives placements	0	-43,900	-52,140	0	0	Approved at Cabinet 10/01/2018
A24	Adult Services	Lee Chapman	Efficiencies and additional income generation within Joint Training	0	-77,000	0	0	0	Approved at Cabinet 10/01/2018
A25	Adult Services	Lee Chapman	Innovate to generate new income	0	-50,000	-50,000	0	0	Approved at Cabinet 10/01/2018
A26	Adult Services	Lee Chapman	Review of day centres	0	-96,700	-96,700	0	0	Approved at Cabinet 10/01/2018
A27	Adult Services	Lee Chapman	ASC Reduction in Preventative Spend - Permanent Saving that may be reversible from 2020/21	-500,000	0	500,000	0	0	Approved at Cabinet 10/01/2018

Children's Services									
Total value of proposals				-1,643,200	-794,000	200,000	0	0	
Ref	Directorate	Portfolio Holder	Description	2018/19	2019/20	2020/21	2021/22	2022/23	Status
C01	Children's Services	Nick Bardsley	Education Improvement Service - A restructure of Education Improvement Service to deliver core statutory duties only.	-65,300	0	0	0	0	Approved at Cabinet 18/10/2017
C02	Children's Services	Nick Bardsley	Budget re-alignment of All-in Short Break Contracts	-40,000	0	0	0	0	Approved at Cabinet 10/01/2018
C03	Children's Services	Nick Bardsley	Efficiencies in Nursery Education Support	-31,770	0	0	0	0	Approved at Cabinet 10/01/2018
C04 & C07	Children's Services	Nick Bardsley	Efficiencies in Home to School Transport	-556,500	0	0	0	0	Approved at Cabinet 10/01/2018
C05	Children's Services	Nick Bardsley	Further promotion of independent travel training and SEN personal budgets	-164,630	0	0	0	0	Approved at Cabinet 10/01/2018
C06 & C13	Children's Services	Nick Bardsley	Reductions to external placement costs within children's safeguarding	-430,000	-500,000	0	0	0	Approved at Cabinet 10/01/2018
C11	Children's Services	Nick Bardsley	Creation on a supply teacher service	0	-200,000	0	0	0	Approved at Cabinet 10/01/2018
C14	Children's Services	Nick Bardsley	Expand the use of Troubled Families grant income for two years.	-200,000	0	200,000	0	0	Approved at Cabinet 10/01/2018
C16	Children's Services	Nick Bardsley	Review of specialist youth provision	-39,000	0	0	0	0	Approved at Cabinet 10/01/2018
C17	Children's Services	Nick Bardsley	Review of business support functions within Learning and Skills	-116,000	-94,000	0	0	0	Approved at Cabinet 10/01/2018

Place and Enterprise			Total value of proposals	-9,137,040	-6,299,330	2,024,510	-2,900,000	-4,218,930	
Ref	Directorate	Portfolio Holder	Description	2018/19	2019/20	2020/21	2021/22	2022/23	Status
P01	Place & Enterprise / Ste	Steve Davenport	Public Conveniences - Closure of public conveniences at Newport Road, Prees Heath, and Brownlow Street, Whitchurch.	-24,780	0	0	0	0	Approved at Cabinet 18/10/2017
P02	Place & Enterprise / Joy	Joyce Barrow	Rockspring - End agreement with Rockspring Community Centre	-2,000	-2,000	-7,730	0	0	Approved at Cabinet 18/10/2017
P03	Place & Enterprise / Ste	Steve Charmley	Repairs & Maintenance - 15% reduction in R&M and office moves budget	0	-145,700	0	0	0	Approved at Cabinet 18/10/2017
P04	Place and Enterprise	Robert Macey	Review of waste collection and recycling services	0	-1,500,000	0	0	0	Approved at Cabinet 10/01/2018
P05	Place and Enterprise	Steve Charmley	Review of car parking at administrative sites	0	-96,000	0	0	0	Approved at Cabinet 10/01/2018
P10	Place and Enterprise	Joyce Barrow	Review of community working	0	-648,480	0	0	0	Approved at Cabinet 10/01/2018
P11	Place and Enterprise	Lezley Picton	Review of library provision	0	0	-73,950	0	-191,930	Approved at Cabinet 10/01/2018
P13	Place and Enterprise	Nic Laurens	Review of workshops and economic development land	0	-81,050	0	0	0	Approved at Cabinet 10/01/2018
P15	Place and Enterprise	Lezley Picton	Review of community assets	0	0	-73,810	0	0	Approved at Cabinet 10/01/2018
P16	Place and Enterprise	Steve Charmley	Reduction in facilities management costs	0	-55,000	0	0	0	Approved at Cabinet 10/01/2018
P23	Place and Enterprise	Lezley Picton	Review of community leisure facilities	-129,260	0	0	0	0	Approved at Cabinet 10/01/2018
P26	Place and Enterprise	Steve Davenport	Review of local environmental maintenance services	-110,000	0	0	0	0	Approved at Cabinet 10/01/2018
P28	Place and Enterprise	Steve Charmley	Increased installation and use of solar panels	0	-100,000	0	0	0	Approved at Cabinet 10/01/2018
P29	Place and Enterprise	Steve Davenport	Review of concessionary travel	0	-50,000	0	0	0	Approved at Cabinet 10/01/2018
P30	Place and Enterprise	Lezley Picton	Development of cultural assets to raise additional income	0	0	-200,000	0	0	Approved at Cabinet 10/01/2018
P33	Place and Enterprise	Steve Charmley	Raise additional income from new development	0	0	0	0	-27,000	Approved at Cabinet 10/01/2018
P34	Place and Enterprise	Steve Charmley	Creation of a Shropshire lottery	0	-50,000	0	0	0	Approved at Cabinet 10/01/2018
P35	Place and Enterprise	Steve Charmley	Efficiencies within administrative buildings	-500,000	0	0	-500,000	-2,000,000	Approved at Cabinet 10/01/2018
P36	Place and Enterprise	Nic Laurens	Generate income from investment in assets	-2,700,000	0	0	0	0	Approved at Cabinet 10/01/2018
P39	Place and Enterprise	Steve Charmley	Raise income from investment in assets	0	-2,000,000	-2,000,000	-2,000,000	-2,000,000	Approved at Cabinet 10/01/2018
P41	Place and Enterprise	Steve Charmley	Negotiate contract savings upon renewal, through better contract management	0	-300,000	-300,000	-400,000	0	Approved at Cabinet 10/01/2018
P59	Place and Enterprise	Steve Davenport	Increased income generation within Highways and Transport	-500,000	-400,000	0	0	0	Approved at Cabinet 10/01/2018

Place and Enterprise										
				Total value of proposals		-9,137,040	-6,299,330	2,024,510	-2,900,000	-4,218,930
Ref	Directorate	Portfolio Holder	Description	2018/19	2019/20	2020/21	2021/22	2022/23	Status	
P62	Place and Enterprise	Steve Davenport	Redesign within Transport and Fleet services	0	-60,000	0	0	0	Approved at Cabinet 10/01/2018	
P64	Place and Enterprise	Steve Davenport	Review of bus subsidies	0	-405,000	0	0	0	Approved at Cabinet 10/01/2018	
P65	Place and Enterprise	Nic Laurens	Income generation from investment in assets	0	-280,000	-320,000	0	0	Approved at Cabinet 10/01/2018	
P66	Place and Enterprise	Steve Charmley	Innovation and efficiencies within Shire Services	-171,000	-126,100	0	0	0	Approved at Cabinet 10/01/2018	
P67	Place and Enterprise	Steve Davenport	Highways Maintenance - Permanent Saving that may be reversible from 2020/21	-5,000,000	0	5,000,000	0	0	Approved at Cabinet 10/01/2018	

Public Health										
				Total value of proposals		-556,850	-288,000	-228,480	0	0
Ref	Directorate	Portfolio Holder	Description	2018/19	2019/20	2020/21	2021/22	2022/23	Status	
H01	Public Health	Lee Chapman	Review of the Links and Healthwatch services	-68,180	0	0	0	0	Approved at Cabinet 10/01/2018	
H02	Public Health	Lee Chapman	Review of maintenance of closed churchyards	-47,120	0	0	0	0	Approved at Cabinet 10/01/2018	
H04	Public Health	Lee Chapman	Efficiencies and additional income generation within Registrars	0	-40,000	0	0	0	Approved at Cabinet 10/01/2018	
H05	Public Health	Robert Macey	Additional income generation within Regulatory Services	-40,000	0	0	0	0	Approved at Cabinet 10/01/2018	
H06	Public Health	Robert Macey	Operating efficiencies within Regulatory Services	-30,000	0	0	0	0	Approved at Cabinet 10/01/2018	
H07	Public Health	Lee Chapman	Review of Community Safety	0	0	-116,270	0	0	Approved at Cabinet 10/01/2018	
H08	Public Health	Lee Chapman	Review of Shropshire Partnership	0	0	-32,210	0	0	Approved at Cabinet 10/01/2018	
H11	Public Health	Lee Chapman	Review of the Stop Smoking service	-46,000	0	0	0	0	Approved at Cabinet 10/01/2018	
H12	Public Health	Lee Chapman	Additional income generation within Help2Change	-80,000	-20,000	-30,000	0	0	Approved at Cabinet 10/01/2018	
H13	Public Health	Lee Chapman	Innovation within Help2Change	-63,000	-63,000	-50,000	0	0	Approved at Cabinet 10/01/2018	
H14	Public Health	Lee Chapman	Review of Nicotine Replacement Therapy service	-50,000	-65,000	0	0	0	Approved at Cabinet 10/01/2018	
H15	Public Health	Robert Macey	Redesign within Regulatory Services	-93,480	0	0	0	0	Approved at Cabinet 10/01/2018	
H16	Public Health	Robert Macey	Review of parking enforcement	0	-100,000	0	0	0	Approved at Cabinet 10/01/2018	
H19	Public Health	Lee Chapman	Review of child health programmes	-39,070	0	0	0	0	Approved at Cabinet 10/01/2018	

Resources & Support			Total value of proposals	-3,301,800	-9,850,000	0	0	0	
Ref	Directorate	Portfolio Holder	Description	2018/19	2019/20	2020/21	2021/22	2022/23	Status
R01	Resources and Support	Steve Charmley	Review of Democratic Services budgets	-27,000	0	0	0	0	Approved at Cabinet 10/01/2018
P46	Place and Enterprise	Steve Charmley	Review of council tax support scheme	0	-200,000	0	0	0	Approved at Cabinet 10/01/2018
R03	Resources and Support	Steve Charmley	Contract review within Customer Involvement	0	-50,000	0	0	0	Approved at Cabinet 10/01/2018
R04	Resources and Support	Steve Charmley	Income generation within Legal and Democratic Services	-10,000	0	0	0	0	Approved at Cabinet 10/01/2018
R06	Resources and Support	Steve Charmley	Development of a communications offer to other organisations	-50,000	0	0	0	0	Approved at Cabinet 10/01/2018
R07	Resources and Support	Steve Charmley	Provision of telecoms support to other organisations	-100,000	0	0	0	0	Approved at Cabinet 10/01/2018
R08	Resources and Support	Steve Charmley	Provision of web and printing services to other organisations	-50,000	0	0	0	0	Approved at Cabinet 10/01/2018
R11	Resources and Support	Steve Charmley	Creation of an apprenticeship levy framework offer to other organisations	-20,000	0	0	0	0	Approved at Cabinet 10/01/2018
R13	Resources and Support	Steve Charmley	Redesign following digital transformation and business process transformation	0	-9,000,000	0	0	0	Approved at Cabinet 10/01/2018
R15	Resources and Support	David Minnery	Review Treasury Management approach and investment income	-500,000	0	0	0	0	Approved at Cabinet 10/01/2018
R16	Resources and Support	David Minnery	Service reconfiguration within Finance, Governance and Assurance	-100,000	-300,000	0	0	0	Approved at Cabinet 10/01/2018
R17	Resources and Support	David Minnery	Additional income generation within Finance, Governance and Assurance	0	-100,000	0	0	0	Approved at Cabinet 10/01/2018
R18	Resources and Support	Steve Charmley	Review of elected councillor costs	-44,800	0	0	0	0	Approved at Cabinet 10/01/2018
R20	Resources and Support	Steve Charmley	Redesign within Legal and Democratic Services	-100,000	0	0	0	0	Approved at Cabinet 10/01/2018
R21	Resources and Support	Steve Charmley	Redesign of the Council's single front door	-500,000	0	0	0	0	Approved at Cabinet 10/01/2018
R22	Resources and Support	David Minnery	Review Council Tax collection costs and approaches	-100,000	0	0	0	0	Approved at Cabinet 10/01/2018
R23	Resources and Support	David Minnery	Additional Premium for Empty Homes	0	-200,000	0	0	0	Approved at Cabinet 10/01/2018
R24	Resources and Support	Steve Charmley	Limited Voluntary Redundancy Programme	-500,000	0	0	0	0	Approved at Cabinet 10/01/2018
R02	Resources and Support	David Minnery	Review of council tax support scheme*	-600,000	0	0	0	0	Approved at Cabinet 10/01/2018
R09	Resources and Support	David Minnery	Review of empty property relief*	-500,000	0	0	0	0	Approved at Cabinet 10/01/2018
R19	Resources and Support	David Minnery	Review collection of business rates processes*	-100,000	0	0	0	0	Approved at Cabinet 10/01/2018

**Savings now showing in taxbase and CF estimates*

Appendix 5

ICT DIGITAL TRANSFORMATION – UPDATE

1. Background

1.1. This appendix provides an update on Digital Transformation and is reported via the Financial Strategy given the level of financial investment and expectation of savings deliver built into the programme.

1.2. The Council aspires to deliver services at the highest quality and lowest cost compared to other authorities in everything that it does. The Economic Growth and Commercialism strategies rely upon the delivery of the Digital Transformation Programme which in itself covers the following individual projects:

- ERP (Enterprise Resource Planning for Finance, HR and Payroll systems),
- Customer Experience including a Contact Centre solution and a CRM (Customer Relationship Management solution)
- Social Care (including both Adults and Children’s integrated solutions),
- Infrastructure & Architecture, this Project has a number of work streams including supporting the integration of new solutions, consolidating the applications estate, providing a data strategy and facilitating the single view of the customer, and implementing initiatives such as Wi-Fi to technologically facilitate mobile working in key Council buildings,

1.3. A corporate approach to organisational development (culture change) has been documented and will run alongside the technological implementations of the programme.

2. Project Progress

2.1. The four distinct project elements of ERP, Customer Experience, Social Care and Infrastructure & Architecture sit clearly within a framework comprising project assurance, project support, overarching programme management and project delivery.

2.2. Once the tender has been awarded and contract signature is achieved each project will go through the three stages of Design, Build and Implementation. The paragraphs which follow provide an update on each project element.

Enterprise Resource Planner (ERP):

2.2.1. The ERP contract has been awarded to Methods Business & Digital Technology Ltd. who are a delivery partner of Unit4 supplying their market

leading solution Business World On!. The project is currently nearing the end of the first stage which is Design. This is a 3 stage approach based on a Local Government Value Accelerator (LGVA) template. In short this means the software already comes with a standard public sector solution based on best practice. Stage 1 is to review the template, stage 2 is to make tweaks to the template based on Shropshire's specific requirements and the final stage is to sign off the documented design. The timetable for sign-off of the Design Gateway is February 2018.

2.2.2. Once the proposed solution is approved and signed off the project will move into the Build stage. The supplier will create build plans and build the approved solution, whilst the business resource will be creating the process maps for the new solution, engaging with stakeholders about the changes, preparing and cleansing data ready for migration and starting to create test scripts ready for User Acceptance Testing. Finally the project will move to the Testing and Cut Over stages when the business will thoroughly test that the design as signed off, has been built and raise defects to be rectified where it hasn't. Also during this phase, data migration will continue, end user training will commence and finally cut over from the current systems to the ERP ready for Go-Live. Key Council staff will be heavily involved in each of the phases to ensure they can approve the design and confirm the solution is fit for purpose. The challenge of resource for the Project and Business As Usual is being managed proactively.

2.2.3. A number of Council staff have been identified as Business Champions and work has commenced to guide these staff to be able to promote engagement with the proposed new ways of working.

Infrastructure and Architecture (I&A):

2.2.4. The I&A stream of work had its overarching project definition document and Terms of Reference (ToR) agreed by main programme board in late July. This element of the digital transformation programme is primarily being managed and delivered by the in house IT team and the new Project Manager commenced late November 2017. Since agreeing the ToR, the I&A project group has commissioned a specific piece of work to support the data and business intelligence needs of the organisation. A new approach to change management has also been introduced and a new service management tool has been implemented.

2.2.5. In terms of changes to the Council's IT Infrastructure. The WiFi tenders have been evaluated and the contract awarded to Pinacl Solutions UK Ltd, It is hoped that delivering phase one (Shirehall) and most other identified sites early in the 2018. The next elements of the I&A stream to be worked on will focus on integrations, single sign on, EDRMS, and consolidation of our applications estate.

The Customer Experience Project:

- 2.2.6. This element of the programme will deliver a new Customer Relationship Management system (CRM) and a new Contact Centre solution. The contract for the new contact centre solution was awarded to 4Net utilising software by Enghouse and Teleopti. Following a phased delivery approach phase 1, the IT Helpdesk and ICT Applications teams went live mid-January 2018, with Theatre Severn later in January 2018, followed by Revenues and Benefits in early February 2018 and Customer Services in early March 2018. This will facilitate the decommissioning of the current BT NGCC contract.
- 2.2.7. The CRM (Customer Relationship Management) solution encountered a number of issues during the procurement phase which resulted in the preferred supplier withdrawing from the tender process. Following this a further review was undertaken and alternative options considered. This resulted in a decision to upgrade the Council's current MS Dynamics platform to a cloud hosted solution through the Council's existing Enterprise Licence Agreement with Microsoft. An implementation partner has been selected to deliver the initial configuration and following this will train an in-house team to further develop other work streams. Contract negotiations are underway and should be completed early February 2018. The CRM will be developed in an agile way, with new developments and functionality released in 3 month cycles.
- 2.2.8. The MyShropshire Account, the self service portal on the Council's website, will be developed in parallel with the CRM system. The implementation partner for CRM is also providing support and guidance to the Council's Digital Services Team who will be developing the portal. The aim is to have a MyShropshire Account with functionality for customers to view Revenues and Benefits information, raise and track complaints, raise and track Highways issues and find out information about waste collections by October 2018. There is also an option to build a MyShropshire Business Account, should the Council choose to do so.

The Social Care Project

- 2.2.9. Design work on the Liquidlogic solution has progressed to the sign off stage for the new Social Care Adults solution. Design work on the new children's system is progressing well and plans for the testing and implementation activities for both are being finalised with Liquidlogic to establish go live dates and more detailed project steps.
- 2.2.10. The Business Champions workshop held recently was well received, with around 40 champions now engaged with the project team. "As is" and "To be" business process workshops are nearing completion and service manager walkthroughs have been arranged prior to full service sign off. Testing of both the initial system configuration and the first rounds of

migrated data have been completed. Further rounds of testing are scheduled over the coming months to ensure the system has been fully prepared and will be ready to go into service on the agreed date.

- 2.3. The projects listed above are either in stages of contract award or in design phases. As a result, it is not possible to quantify the final overall cost of delivering the solutions as additional work may be required or additional modules purchased in order tailor the solutions to meet Shropshire's needs. This has an impact on how the financial position of the project is presented and the level of assumptions that are required to be made.

3. Financial Position

- 3.1. The total approved budget for the programme, which has not been changed since last reported, is £26.2m and has been allocated across the projects as shown in Table 1.0 below. The budget is a mix of both capital and revenue funding. Following progress in respect of procurement and contract award, some indicative outturn projections can start to be seen but with the caveat that not all potential project costs have been identified and so these may be subject to change.

Table 1.0

Proejct Stream	Approved Budget £m	Projected Outturn £m
ERP	£6.894	£4.370
Social Care	£4.908	£4.332
Customer Experience	£5.640	£2.050
Infrastructure & Architecture	£3.758	£3.147
Overall Programme Management	£5.032	£4.210
Total	£26.232	£18.109
Reduced Funding Requirement		£8.123

NB: The programme management element comprises costs arising from the pre-procurement engagement activities, implementation and final sign off. Elements include costs for matters such as Programme Discovery and Business Case Augmentation, Data and Enterprise Augmentation, Data Migration Scope Definition and Roadmap, Infrastructure Migration Project, Programme Manager and Support, costs associated with Change Management and a Programme Contingency.

- 3.2. Initial project costings were based on assumptions prior to the procurement phase and after detailed pre-market engagement. As the project elements achieve contract award and contract signature and then move through the project phases it is possible to start to firm up cost and savings estimations.

- 3.3. Early projections suggest that costs will outturn well below the approved budget. This will reduce the borrowing requirement for the project overall and may result in a small additional saving within revenue.
- 3.4. Within the February 2018 financial strategy a revenue saving of £10m is attributed to the Digital Transformation Programme. The detail of this proposal is in development but will likely include targeted voluntary and compulsory redundancies, savings arising from efficient working practices and income generation.

4. Go Live dates

- 4.1. As the elements of the project have progressed through the procurement and design phases the launch dates for the various deliverable modules are being firmed up. The following potential launch dates are being planned for the key individual projects. Factors taken into account when determining these dates include the inter-dependencies between the Projects and timing considerations.
- Contact Centre phased from January 2018
 - Infrastructure & Architecture - Varying dates according to Project streams
 - Adult Social Care August 2018
 - ERP October 2018
 - Children's Social Care 5th November 2018
 - CRM phased from June 2018.
- 4.2. These key dates are kept under constant review and will be refined as the Programme progresses to ensure the best products are delivered in the most timely fashion and under budget.

Appendix 6- Budget Consultation 2018/19 – 2022/23

Feedback as at: 05/02/2018

Responses Received to date: 45

1. Profile of Respondents:

Chart 1.0

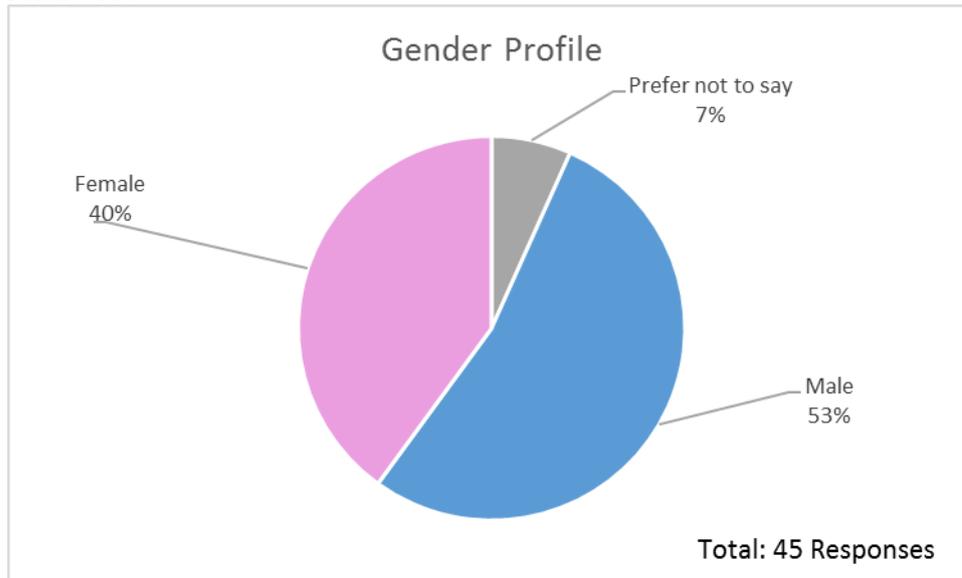
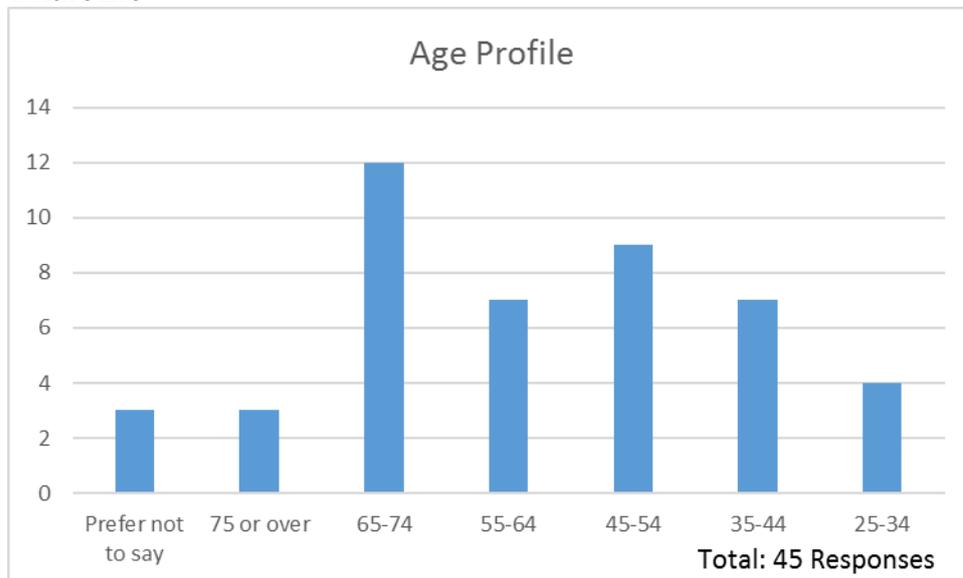


Chart 2.0



2. Detailed Summary of Responses

2.1. Question 1

Council services you currently receive that you would be prepared to pay directly for, or pay more for than you currently do, rather than lose it in potential service cuts?	Mentions
None - don't use any/many Council Services	5
Leisure facilities (noted services paid for need to improve)	3
Libraries	3
None - already pay enough	3
None	2
None - not fair on those on lower incomes	2
None - on low income / cant afford to pay	2
Community Transport	1
Connecting Shropshire (so as to be more effective)	1
Early Help Childrens Centres	1
Enforcement	1
Environmental Maintenance	1
Green waste collection	1
None - pay out more than I receive	1
none - would need to means test people on low incomes=inefficient	1
School Transport	1
Social Care (all ages)	1

2.2. Question 2

Are there any services that Shropshire Council should consider finding alternative delivery arrangements for rather than delivering directly ourselves?	Mentions
Services should be inhouse not outsourced (cheaper, quality, accountable)	8
Arts, festivals & music	3
Museums and Visitor attractions (eg Acton Scott)	2
No	2
Road maintenance	2
All services should be tendered	1
Estates and Assets	1
Give grants for community led services:	
Youth groups	
Toddler groups	1
Golf Courses	1
Guided tours of Shrewsbury	1
Purchase of local shopping centres	1
Roman Road Sports Centre should be run by Meole School	1
Safety advice	1
Shire Services	1
Use volunteer schemes more - see Telford & Wrekin Council Street Champion Scheme - for:	
Litter picking	
Dog muck	
Libraries	1
Work with voluntary sector	1

2.3. Question 3

Other suggestions about how the Council can raise income or make further savings?:	Mentions
Stop - plans to invest in shopping centres - too high risk	6
Council Tax - Increase Shropshire Council precept	5
Lobby government - more money	5
Reduce - number of Councillors	5
Reduce - Councillor allowances	4
Make better use of buildings - rationalise and sell, rent or share space with other orgs.	3
Charge staff to park at work	2
Contracts - Bring back inhouse - cheaper and a better quality service (roads, ASC)	2
Increase car parking charges (further)	2
Maximise tourism potential	2
Sell Shirehall	2
Additional levy on build and sale of infill houses built in gardens	1
Additional rate charge on second homes	1
Charge for activities that are free (Shropshire Way footpath, playgrounds, other natural assets)	1
Contracts - Use penalty clauses (IT contract)	1
Council Tax - Adequate band and surcharges for new builds	1
Council Tax - ensure all homes in correct Band	1
Council Tax - introduce additional levy on top 3 bands	1
Create - Local authority lottery scheme	1
Create - Utility bill switch service	1
Cut - council funded subsidies for traded services, and make them operate as a business.	1
Cut - mobile library vans (encourage the community to deliver, or take them to a library)	1
Cut - subsidies to Arriva	1
Cut back - funding for tourism	1
Cut funding - Armed forces should pay for community covenant	1
Cut funding - Arts and festivals to be self funding	1
Environmental enforcement (FPNs) for littering, dog fouling ,fly tipping, Commercial waste	1
Freeze staff salaries	1
Fund - minibus instead of taxis (school children with special needs)	1
Improve efficiency of Council operation (eg printing, admin, recruitment costs)	1
Introduce a 'verge' project	1
Lobby Government - fund public transport system	1
Look at - how do other Councils generate income?	1
Look at - what services do other Councils charge for that SC is not?	1
Make better use of buildings - multi-org'n.	1
New build developments to ensure provision of council housing, schools, GP practises etc	1
Recycle equipment within ASC and Childrens	1
Reduce - Chief Executive salary	1
Reduce - cleaning contract at Shirehall -staff could empty bins	1
Reduce - procurement costs	1
Reduce - salaries over £75k	1
Reduce - school transport bill	1
Reduce - Staff and councillors to reduce travel and food expenditure	1

Reduce - staff numbers	1
Restore bus service from Market Drayton to Telford	1
Revisit the rebate system.	1
Save money through process improvement rather than increasing charges	1
Sell of AONB & SSI	1
Sell off golf courses	1
Sell off Musems	1
Stop - funding cinema and theatre	1
Stop - guided tours of Shrewsbury.	1
Stop - business support	1
Stop - Make sure get out of anything PFI	1
Stop - plans to refurbish Shirehall	1
Stop - schemes to build new roads	1
Stop wasting money on consultations.	1
Support bus use	1
Switch off street lighting	1
Think longer term - Focus more on preventative services before cutting services eg cutting leisures services now may lead to higher health costs later	1
Think longer term - attract businesses to Shropshire so can collect Business rates	1
Think longer term - take advantage of key road links such as M6 and M54 and also the HS2 when it comes along in planning.	1
Think longer term - develop a coherent economic development strategy	1
Work better with other departments	1

2.4. Question 4

Any further comments on the savings we are proposing?:	Mentions
Maintain the environmental grant	6
Increase of council tax is going to cause hardship for households on low income	2
Think longer term - increasing parking charges may drive shoppers to other towns	2
Will the shopping centres be profitable?	2
Better monitoring of the Highways contractor (Ringway were poor)	1
Concentrate on providing appropriate services	1
Council tax - maintain support for low income houtholds	1
Cuts are to small services which: -will not achieve the required savings -will may render the those small servies defunct Should be tackling the large cost services	1
Defer the removal of the Environmental Grant until 2019/20 - parishes may not of accounted for its removal in this years precept	1
Digital transformation programme is a disaster	1
Proposals are good	1
Proposed service cuts are vital to localities Parish Councils cannot pick up services	1
Purchasing shopping centres. Upgrading I T services, refurbishment of shirehall. These don't appear to be directing funds in the most needed places and look like expensive white elephants.	1
Services have been cut enough	1

Shropshire is a rural county and services should reflect that	1
Think longer term - cutting highways budget may increase potholes and accidents	1
Think longer term - reducing Early Help will increase the demand on social services in the future	1
Use money more wisely	1

2.5. Question 5

General comments:	Mentions
Do not support the shopping centre purchase	5
Do not have confidence in the council	2
Should not be investing in Shirehall	2
Think longer term - invest in preventative services	2
Appreciate the opportunity to give feedback	1
Contracts - Better monitoring to ensure VFM	1
Digital transformation programme needs to be written in plain english	1
Do not get the same level of service as other parishes.	1
Encourage the take up of direct payments and stimulating the personal assistant market.	1
Have council meetings round county	1
Insensitive time to spend £18 on Shirehall refurbishment	1
Keep the street lights on	1
Look at matching older people with a spare bedroom requiring low level care to match up with students needing accommodation. Students receive cheaper accommodation in return for keeping older person company and preparing light meals and snacks.	1
Make decisions	1
More generally trying to think more like a commercial business rather than a local authority. Look at what commercial businesses are succeeding at in today's economy and looking at how the council could adopt some of these practices.	1
Not enough financial detail in the proposals - need previous and current year budget and actual/forecast figures	1
Review staff levels and VFM	1
The authority is weak - should be standing up to Government	1
Think longer term - sports centres and libraries increase peoples wellbeing physically, mentally and socially -reduce demand on ASC services	1
Use the money for new premises to plug gap in public health and social care provision.	1
Where is the £18m for the Shirehall redevelopment within the Capital Programme?	1
Will the IT programme deliver?	1

3. Infographics

3.1. The following four infographics have been released via social media over the course of the consultation. They highlight in pictures the funding challenges the authority is facing.

Government Grants



£50m
cuts in the
Revenue Support
Grant since 2013

an 80%
reduction

2013/14 Revenue Support Grant – £67m
2018/19 Revenue Support Grant – £13m
2018/19 £4m extra in Council Tax increase
But £50m cut in last five years!



2018 Budget Consultation

Ongoing challenges

Adult Social Care costs increasing

8% each year

Our population is ageing almost

30%

above national average

This means costs are increasing by

£8-10m

every year*

*Council Tax rise limited to only £4 million extra for Adult Social Care
 Nationally an additional £3.5bn is needed over next 4 years for Adult Social Care



2018 Budget Consultation

Use of Reserves

We'll use reserves up until 2020/21, by this time Fairer Funding Proposals* will have been announced



2020/21 FAIRER FUNDING?

2019/20 RESERVES

2018/19 RESERVES

*The Government's proposal for a new way to fund local government.



2018 Budget Consultation

2018/19 Council Tax rise



Band B increase
£58.68 per year
(£1.13 per week)



Band D increase
£75.45 per year
(£1.45 per week)

5.99% Precept increase creates
£6.717 million*
in extra council tax

*From the extra money raised £4 million will be used for Adult Social Care BUT the increased cost is nearer £10m



2018 Budget Consultation

Appendix 7 – Budget Book [TO FOLLOW]

Appendix 8 – Capital Programme

Scheme Description	Code	Project Manager	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Further Details
Place & Enterprise						
Infrastructure & Communities						
Waste Services						
In Vessel Composting Facility	K6WMO	P Beard	325,000	0	0	
Total			325,000	0	0	
Highways and Transport - LTP						
Structural Maintenance of Bridges & Structures	KBG%	T Sneddon	1,500,000	0	0	
Structural Maintenance of Roads		S Brown	5,601,000	8,275,000	13,275,000	Awaiting Pothole Action Fund & Incentivisation 18/19
Street Lighting		J Hughes	800,000	0	0	
Local Transport Plan - Integrated Transport Plan		V Merrill	1,000,000	1,126,000	1,442,761	
Total			8,901,000	9,401,000	14,717,761	
LEP Schemes						
LEP Oxon Relief Road Project	KOX01	M Johnson	690,000	2,742,323	0	
LEP Shrewsbury Integrated Transport Package	KIT01	M Johnson	1,679,079	500,000	183,239	
Total			2,369,079	3,242,323	183,239	
Flood Defences & Water Management						
Much Wenlock - Flood & Water Management	K6FW1	T Sneddon	135,000	0	0	
Shifnal - Flood & Water Management	K6FW4	T Sneddon	422,000	0	0	
Shropshire Slow the Flow Project	KEF01	T Sneddon	70,000	70,000	0	
Total			627,000	70,000	0	
Environmental Maintenance - Depots						
Depot Redevelopment	K6H03	S Brown	234,000	0	0	
Total			234,000	0	0	
Environmental Maintenance - Car Parks						
Parking Strategy - Car Park Machines	KEC03	z Mortimer	1,197,000	0	0	
Total			1,197,000	0	0	
Visitor Economy						
Music Hall Rfurbishment	KSHA9	S Law	25,650	0	0	
Total			25,650	0	0	
Outdoor Partnerships						
Nags Head Engine House	KBR08	J Howells	2,541	0	0	
Total			2,541	0	0	
Total Infrastructure & Communities			13,681,270	12,713,323	14,901,000	
Economic Development						
Physical Regeneration						
Food Enterprise Centre	KER38	G Davies	28,489	0	0	
Flaxmill Project - Implementation	K6FM1	G Davies	0	1,000,000	0	
Total			28,489	1,000,000	0	
Natural & Historical Environment						
Historic Environment Grants	K6HE1	A Cooper	33,682	0	0	
Old Rectory, Whitchurch Section 106	KBN01	A Cooper	207,699	0	0	
Total			241,381	0	0	
Planning Policy - Affordable Housing						
Affordable Housing - Rolling Fund	K6AHG	N Wood	200,346	0	0	
Shrewsbury Self Build Scheme	K6AHT	N Wood	266,898	0	0	
Total			467,244	0	0	
Broadband Project						
Broadband Project - Milestone 1	KB001	C Taylor	1,800,000	0	0	
Broadband Project - Phase 2 - Milestone 2	KB006	C Taylor	1,142,104	0	0	
Broadband Project - Phase 2 - Milestone 3	KB007	C Taylor	236,261	0	0	
Broadband Project - Phase 2b - Lot 1	KB008	C Taylor	4,367,000	3,508,000	500,000	
Broadband Project - Phase 2b - Lot 2	KB009	C Taylor	1,856,791	0	0	
Total			9,402,156	3,508,000	500,000	
Total Economic Development			10,139,270	4,508,000	500,000	
Business Enterprise & Commercial Services						
Corporate Landlord						
The Tanney Development	KRP06	S Law	7,000,000	0	0	
Total			7,000,000	0	0	
Small holdings						
The Clamp - Smallholding refurbishment	KCS03	S Law	130,000	0	0	
Total			130,000	0	0	
Gypsy Sites						
Travellers Sites Unallocated Grant (Phase 1&2 HCA)	K6T00	J Taylor	55,858	0	0	
Boars Den Gypsy Transit Site	K6T06	J Taylor	145,000	0	0	
Total			200,858	0	0	
Total Business Enterprise & Commercial Services			7,330,858	0	0	
Total Place & Enterprise			31,151,398	17,221,323	15,401,000	

Adult Services						
Social Care						
Community Capacity Grant	KA000	A Begley	0	0	0	New Grant Allocation awaited
Four Rivers Bed Replacement & Fire Safety	KA034	A Begley	9,968	0	0	
Total			9,968	0	0	
Housing Health & Wellbeing						
Disabled Facilities Grants	K5P03	L Fisher	0	0	0	New Grant Allocation awaited
HOLD Project	K5P04	L Fisher	1,500,000	0	0	
Total			1,500,000	0	0	
Total Adult Services			1,509,968	0	0	
Public Health						
Private Sector Housing						
Shropshire County Empty Property Incentive Grant	KPS01	K Collier	300,000	0	0	
Total			300,000	0	0	
Total Public Health			300,000	0	0	
Resources & Support						
Customer Involvement						
ICT Digital Transformation - Unallocated	KIC00	M Leith	4,400,000	5,000,000	0	
ICT Digital Transformation - Social Care Project	KIC04	M Leith	500,000	0	0	
ICT Digital Transformation - Contact Centre Unified Comms	KIC05	M Leith	150,000	0	0	
ICT Digital Transformation - ERP	KIC06	M Leith	1,010,200	0	0	
Total			6,060,200	5,000,000	0	
Total Resources & Support			6,060,200	5,000,000	0	
Childrens Services						
Learning & Skills						
Early Years						
Early Years Unallocated	KLE00	N Ward	59,042	0	0	
Total			59,042	0	0	
Basic Need						
Basic Need Unallocated	KLB00	P Wilson	3,999,353	0	0	
Market Drayton Infant/Junior - Ste TBC	KLB05	P Wilson	350,000	0	0	
Sundorne Infants/Harlescott Junior - Site TBC	KLB07	P Wilson	350,000	0	0	
Market Drayton Primary	KLB08	P Wilson	350,000	0	0	
Total			5,049,353	0	0	
Business Enterprise & Commercial Services						
Corporate Landlord						
The Tanney Development	KRP07	S Law	7,000,000	0	0	
Total			7,000,000	0	0	
Small holdings						
The Clamp - Smallholding refurbishment	KCS04	S Law	130,000	0	0	
Total			130,000	0	0	
Gypsy Sites						
Travellers Sites Unallocated Grant (Phase 1&2 HCA)	K6T12	J Taylor	234,142	0	0	
Boars Den Gypsy Transit Site	K6T18	J Taylor	323,284	0	0	
Total			557,426	0	0	
Total Business Enterprise & Commercial Services			7,687,426	0	0	
Total Place & Enterprise			8,037,426	0	0	
Adult Services						
Social Care						
Community Capacity Grant	KA068	A Begley	19,936	0	0	New Grant Allocation awaited
Four Rivers Bed Replacement & Fire Safety	KA102	A Begley	29,904	0	0	
Total			49,840	0	0	
Housing Health & Wellbeing						
Disabled Facilities Grants	K5P05	L Fisher	300,000	0	0	New Grant Allocation awaited
HOLD Project	K5P06	L Fisher	4,500,000	0	0	
Total			4,500,000	0	0	
Total Adult Services			4,549,840	0	0	
Public Health						
Private Sector Housing						
Shropshire County Empty Property Incentive Grant	KPS02	K Collier	300,000	0	0	
Total			300,000	0	0	
Total Public Health			300,000	0	0	
Resources & Support						
Customer Involvement						
ICT Digital Transformation - Unallocated	KIC00	M Leith	4,400,000	-2,500,000	0	
ICT Digital Transformation - Social Care Project	KIC04	M Leith	1,063,600	-4,000,000	0	
ICT Digital Transformation - Contact Centre Unified Comms	KIC05	M Leith	1,318,700	-5,500,000	0	
ICT Digital Transformation - ERP	KIC06	M Leith	1,573,800	-7,000,000	0	
Total			8,356,100	-2,500,000	0	
Total Resources & Support			8,356,100	-2,500,000	0	

Childrens Services						
Learning & Skills						
Early Years						
Early Years Unallocated	KLE01	N Ward	59,042	0	0	
Total			59,042	0	0	
Fire Safety						
Bomere Heath - New Fire Alarm	KLF31	P Wilson	27,250	0	0	
Total			27,250	0	0	
Energy Efficiency						
Bomere Heath - Boiler Replacement	KL09	P Wilson	98,100	0	0	
Greenacres - Boiler & Controls	KL10	P Wilson	70,850	0	0	
Lower Heath - Boiler & Controls	KL11	P Wilson	21,800	0	0	
Meole Primary - Boiler & Controls	KL12	P Wilson	32,700	0	0	
Bicton - Replace Boiler	KL13	P Wilson	109,000	0	0	
St Laurence Ludlow - Boiler & Controls	KL14	P Wilson	81,750	0	0	
Woodfield - Repipe Heating Phase 1	KL15	P Wilson	54,500	0	0	
Woodlands Boiler & Controls	KL16	P Wilson	98,100	0	0	
Total			566,800	0	0	
Suitability						
Norbury Primary- PPA Space	KLS12	P Wilson	76,300	0	0	
Hodnet - Secure Access	KLS14	P Wilson	155,205	0	0	
Total			231,505	0	0	
Special Education Needs						
Schools Access Initiative Unallocated	KLD00	P Wilson	49,050	0	0	
Special Provision Funds Allocation	KLD06	P Wilson	166,667	166,667	166,667	
Total			215,717	166,667	166,667	
Devolved Formula Capital						
			700,000	0	0	
Total Learning & Skills			13,849,667	166,667	166,667	
Total Children's Services			13,849,667	166,667	166,667	
Total General Fund Capital Programme			52,871,233	22,387,990	15,567,667	
Housing Revenue Account						
Major Repairs Programme						
Housing Major Repairs Programme - Unallocated	KSP01	A Begley	4,888,800	3,760,950	0	
STaR Roofing	KSR05	A Begley	120,000	0	0	
Total			5,008,800	3,760,950	0	
New Build Programme						
Housing New Build Programme - Phase 3	KSNB3	A Begley	11,375	0	0	
Housing New Build Programme - Phase 4	KSNB4	A Begley	145,900	0	0	
Total			157,275	0	0	
Total Housing Revenue Account			5,166,075	3,760,950	0	
Total Capital Programme			58,037,308	26,148,940	15,567,667	
Financing						
Self Financed Prudential Borrowing			8,197,000	0	0	
Government Grants						
Department for Transport			14,901,000	14,901,000	14,901,000	
Department for Health - Better Care Fund			0	0	0	0 New Grant Allocation awaited
Department for Health - HOLD Grant			1,500,000	0	0	
Department for Education						
- Condition Capital Grant			2,500,000	0	0	Forecast Grant Offer
- Basic Need Capital Grant			1,354,815	0	0	
- Devolved Formula Capital			700,000	0	0	
- Special Provision Funds			166,667	166,667	166,667	
HCA - Travellers			55,858	0	0	
HCA - New Build			70,000	0	0	
BDUK - Broadband			5,091,201	1,892,605	269756	
Environment Agency			627,000	70,000	0	
Local Enterprise Partnership (LEP) Fund			2,002,759	3,242,087	115,956	
			28,969,300	20,272,359	15,453,379	
Other Grants						
Other Grants			2,541	0	0	
			2,541	0	0	
Other Contributions						
Section 106			207,699	0	0	
Community Infrastructure Levy (CIL)			0	0	0	
Other Contributions			0	0	0	
			207,699	0	0	
Revenue Contributions to Capital			0	0	0	
Major Repairs Allowance			4,526,210	3760950	0	
Corporate Resources (expectation - Capital Receipts only)			11,495,058	2,115,631	114,288	
Total Confirmed Funding			53,397,808	26,148,940	15,567,667	

Capital Programme 2018/19 - 2020/21			
Capital Budgets 2018/19 to 2020/21			
Service Area	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £
General Fund			
Adult Services	1,509,968	0	0
Childrens's Services	13,849,667	166,667	166,667
Place & Enterprise	31,151,398	17,221,323	15,401,000
Resources & Support	6,060,200	5,000,000	0
Public Health	300,000	0	0
Total General Fund	52,871,233	22,387,990	15,567,667
Housing Revenue Account	5,166,075	3,760,950	0
Total Approved Budget	58,037,308	26,148,940	15,567,667
Capital Financing 2018/19 to 2020/21			
Service Area	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £
Self Financed Prudential Borrowing	8,197,000	0	0
Government Grants	28,969,300	20,272,359	15,453,379
Other Grants	2,541	0	0
Other Contributions	207,699	0	0
Revenue Contributions to Capital	0	0	0
Major Repairs Allowance	4,526,210	3,760,950	0
Corporate Resources (Capital Receipts only)	11,495,058	2,115,631	114,288
Total Confirmed Funding	53,397,808	26,148,940	15,567,667
Service Area	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £
Self Financed Prudential Borrowing	15.35	0.00	0.00
Government Grants	54.25	77.52	99.26
Other Grants	0.00	0.00	0.00
Other Contributions	0.39	0.00	0.00
Revenue Contributions to Capital	0.00	0.00	0.00
Major Repairs Allowance	8.47	14.38	0.00
Corporate Resources (Capital Receipts only)	21.53	8.09	0.73
Total Confirmed Funding	100	100	100

