



<u>Committee and Date</u>	<u>Item</u>
Cabinet 6 th July 2020 Council 16 th July 2020	

FINANCIAL OUTTURN 2019/20

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1. Summary

- 1.1 This report provides details of the revenue and capital outturn position for Shropshire Council for 2019/20 and provides a summary of:
- The revenue outturn for each service area with a commentary of the main variations and an outline of how the position has changed since Quarter 3.
 - The movements in the Council's General Fund balance.
 - The Council's reserves and provisions.
 - The capital outturn for each service area with a commentary of the main variations and the budget slipped for 2019/20.
- 1.2 The Council's controllable revenue position for 2019/20 has deteriorated by £0.159m when compared with projections made at Quarter 3, resulting in a net controllable overspend of £1.692m, which represents a variance of 0.3% on the gross budget.
- 1.3 The outturn on non-controllable insurance is an underspend of £0.041m. When deducted from the controllable overspend, the total outturn adjustment to the general fund is a reduction in the fund of £1.651m.
- 1.4 The outturn capital expenditure for 2019/20 is £59.149m, representing 83% of the re-profiled budget of £70.982m. All £11.773m of this underspend has been carried forward to the 2020/21 programme.

2. Recommendations

It is recommended that Members:

- A. Note that the outturn for the revenue budget for 2019/20 is a controllable overspend of £1.692m. This represents 0.3% of the original gross budget of £568.489m.
- B. Note that had £0.460m of the Council's General Fund not been applied in response to the Storm Dennis emergency event, and had £0.387m Coronavirus funding not been applied to revenue at year end, the controllable outturn position would have been an overspend of £2.539m.

- C. Note that the level of the General Fund balance after adjusting for the outturn overspend and insurance position stands at £13.510m, which is significantly below the recommended level.
- D. Note that the outturn for the Housing Revenue Account for 2019/20 is an underspend of £4.106m and the level of the Housing Revenue Account reserve stands at £10.140m (2018/19 £9.813m).
- E. Note the increase in the level of Earmarked Reserves and Provisions (excluding delegated school balances) of £1.931 in 2019/20 and the reasons for this.
- F. Note that the level of school balances stand at £1.891m (2018/19 £4.178m).
- G. Approve net budget variations of £9.710m to the 2019/20 capital programme, detailed in Appendix 5 / Table 11 and the re-profiled 2019/20 capital budget of £70.982m.
- H. Approve the re-profiled capital budgets of £127.309m for 2020/21, including slippage of £11.773m from 2019/20, £89.835m for 2021/22 and £103.110m for 2022/23 as detailed in Appendix 5 / Table 15.
- I. Accept the outturn expenditure set out in Appendix 5 of £59.209m, representing 83% of the revised capital budget for 2019/20.
- J. Approve retaining a balance of capital receipts set aside of £19.619m as at 31st March 2020 to generate a one-off Minimum Revenue Provision saving of £0.693m in 2020/21.

REPORT

3. Risk Assessment and Opportunities Appraisal

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

4. Financial Implications

- 4.1 This report is based on the financial outturn of the Council's revenue and capital budget for 2019/20 and therefore considers the effect that the overspend has on the Council's balances.

5. Background

- 5.1 Cabinet has received quarterly monitoring reports on the revenue and capital budget during the course of the year. This has meant that management action has been taken to reduce the forecast overspend position as budget pressures have arisen. However the scale of budget pressures and unachieved savings within the year, combined with emergency events that took place within Q4, have meant that officers have been unable to reduce the overspend position to nil.

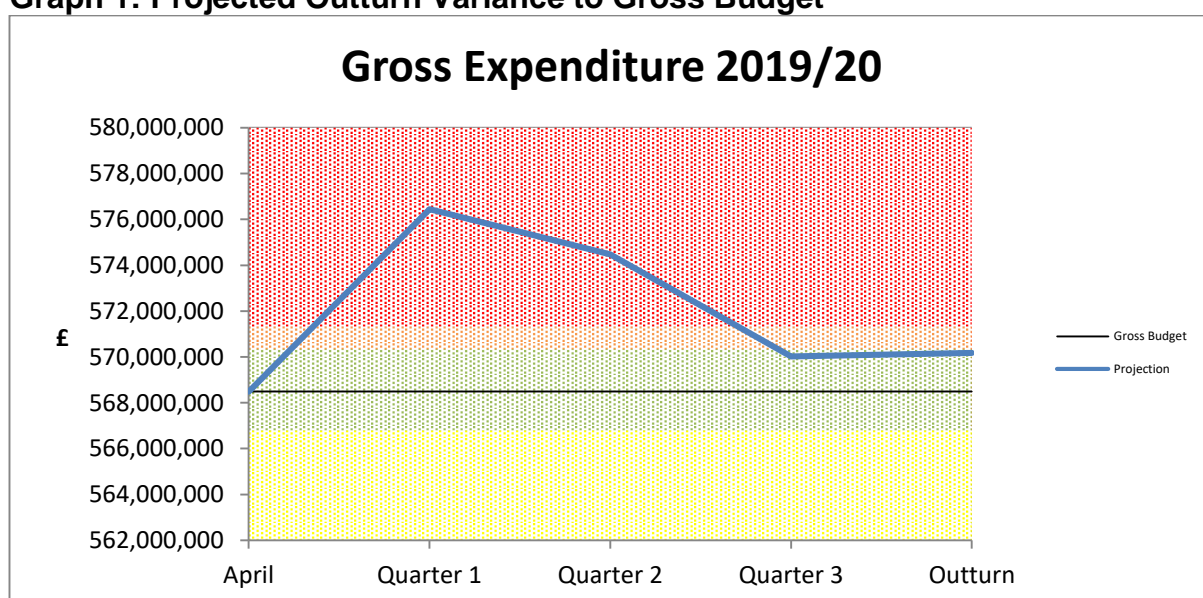
6. Revenue Outturn Position

- 6.1 The final outturn for 2019/20 shows net controllable revenue expenditure of £215.530m and a controllable overspend of £1.692m. The overall position for service areas is detailed in Table 1 below.

Table 1 – Final Controllable Outturn

	£'000
Net Budget	213,839
Controllable Outturn for 2019/20	215,530
Controllable Overspend for 2019/20	1,692

- 6.2 The forecast year end position for the Council is revised each Quarter (monthly for Directors) and reported using the graph below. The area of the graph banded green shows the extent of variance from the budget that can be seen as reasonable given the size and complexity of the Council's budget. The outturn overspend of £1.692m is narrowly falling within the green banding as shown in Graph 1 below.

Graph 1: Projected Outturn Variance to Gross Budget

- 6.3 During Quarter 4, Storm Dennis caused significant flooding in Shropshire, resulting in £0.520m emergency revenue expenditure being incurred. Expenditure over and above the Council's Bellwin threshold is eligible to be reimbursed by Central Government, however the Council's threshold for 2019/20 stands at £0.460m, meaning that the first £0.460m expenditure incurred is expected to be funded from the Council's General Fund. Therefore £0.460m has been drawn down from the General Fund at year end to cover expenditure incurred during the emergency event. This, however, does not support the loss of income from car parking and theatre income that would have been lost and is reflected in the accounts and later in this report.
- 6.4 Further to the Storm Dennis expenditure incurred, £0.387m revenue costs were incurred within 2019/20 as a result of the coronavirus pandemic. £0.387m of the £17.918m funding provided by MHCLG to help the local authority respond to coronavirus pressures across all of the services that it delivers has therefore been applied to the 2019/20 outturn position. Without utilising this funding, and without utilising £0.460m of the General Fund to offset Storm Dennis expenditure as above, the Council's controllable outturn position would have

been an overspend of £2.539m, which, when represented in Graph 1, would have been very close to the red (danger) zone.

- 6.5 The controllable overspend of £1.692m for 2019/20 is presented below by service area in Table 2. End of year entries include items of non-controllable spend (e.g. insurance) that are not included within service projections throughout the year. The non-controllable element of spend has been excluded from the figures presented below to enable a direct comparison to be made between controllable expenditure at year end, and projections made throughout the year.

Table 2: 2019/20 Budget Variations Analysed by Service Area (£'000)

Service Area	Revised Budget £'000	Outturn £'000	(Under) / Overspend £'000	RAGY Classification
Adult Services	107,823	108,708	885	G
Central DSG	-	-	-	G
Children's Services	49,863	56,531	6,668	R
Corporate Budgets	(5,236)	(16,588)	(11,352)	Y
Finance, Governance & Assurance	2,828	2,280	(548)	Y
Legal & Democratic Services	506	380	(125)	Y
Place	57,655	63,911	6,256	R
Strategic Management Board	(14)	(107)	(92)	Y
Workforce & Transformation	414	414	(0)	Y
Total	213,839	215,530	1,692	G

- 6.6 Services have worked to attempt to deliver a balanced council position overall, through the implementation of a spending freeze and recruitment freeze implemented mid year, however it has not been possible to reduce the overspend position to nil.
- 6.7 Further analysis of the variations to budgets for all service areas is provided within Appendix 1.

7. Update on Savings Delivery

- 7.1 During the year the savings projections are RAG rated in order to establish the deliverability of the savings and any potential impact on the outturn projection for the 2019/20 financial year. The RAG ratings are categorised as follows:

- Red – Savings are not solved on an ongoing basis, nor have they been achieved in the current financial year. These are reflected as unachieved within this monitoring report.
- Amber – Savings have been identified on an ongoing basis in the current financial year, however there is no clear evidence to support the delivery as yet.
- Green – Savings have been identified on an ongoing basis in the current financial year, with evidence of delivery.

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

Table 3: 2019/20 Savings Proposals – Final Outturn

Service Area	Red £'000	Amber £'000	Green £'000	Total Savings £'000
Adult Services	1,166	-	4,231	5,397
Central DSG	-	-	-	-
Children's Services	737	-	171	908
Corporate Budgets	-	-	4,103	4,103
Finance, Governance and Assurance	-	-	589	589
Legal and Democratic Services	20	-	45	65
Place	3,621	-	2,695	6,315
Strategic Management Board	-	-	-	-
Workforce and Transformation	990	-	121	1,112
Council	6,535	-	11,955	18,490

- 7.2 The figures presented above show that 65% of the 2019/20 savings required were achieved and rated green with the remainder unachieved and rated red. Paragraph 7.4 below provides further detail on the red savings.
- 7.3 Table 4 provides further analysis of savings delivery impact on final position for each service area.
- 7.4 As per Table 3, £6.535m savings remain unachieved at outturn, some of which have been offset in part by one-off savings in year. However, when setting the Council's budget for 2020/21, growth funding has been applied in order to remove the 2019/20 red savings that have been determined to be undeliverable. Following the application of growth funding during the budget setting process, £3.606m of the red savings still remain within the Council's budget and are still required to be delivered, as the delivery of these savings targets was considered to be delayed rather than undeliverable. Delivery of these savings will be scrutinised at regular savings challenge meetings scheduled to take place with Directors throughout 2020/21. Red savings carried forward are listed below.

Ref	Directorate	Service Area	Description	2019/20 Saving Required (£)	Value Unachieved and Carried Forward to 2020/21 (£)
P41	Children's Services	Children's Services Management	Negotiate contract savings upon renewal through better contract management	46,490	20,460
P28	Place	Strategic Asset Management	Increased installation and use of solar panels	100,000	100,000

P34 & P39	Place	Head of Commercial Services	Land acquisition, development and investment	50,000	50,000
P66	Place	Director of Place	Innovation and efficiencies within Shire Services	126,100	101,100
P68	Place	Shire Services	Stretch income target within Shire Services	300,000	300,000
P72	Place	Director of Place	New Development Dividend	1,025,000	1,025,000
P69	Place	Highways and Transport	Infrastructure related to new development	100,000	100,000
P29	Place	Highways and Transport	Review of concessionary travel for Park & Ride	50,000	50,000
P41	Place	Director of Place	Negotiate contract savings upon renewal through better contract management	63,970	63,970
P59	Place	Highways and Transport	Increase income generated from car parks	400,000	400,000
P64	Place	Highways and Transport	Review of bus subsidies	405,000	105,000
P78	Place	Highways and Transport	Additional fleet management income	52,000	52,000
P75	Place	Outdoor Partnerships	Rights of way - risk based approach	50,000	50,000
P76	Place	Libraries	Libraries review	98,000	98,000
P80	Place	Culture, Leisure and Tourism	Heritage Assets – new operating model	£100,000	£100,000
R34	Workforce and Transformation	ICT Digital Transformation Project	Digital Transformation	990,430	990,430
TOTAL				3,956,990	3,605,960

More detail on these, and all of the 2019/20 red savings, is provided within the relevant service sections of Appendix 1.

- 7.6. In addition to the red savings pressures, a number of ongoing pressures were identified within service areas during the year totaling £3.154m. £0.537m of these ongoing pressures have arisen as a result of previous years' unachieved savings. Ongoing pressures that have been identified are as follows:

Directorate	Service / Description	Nature of Pressure	Value (£)
Adult Services	Housing - Temporary Accommodation	Demography	403,873
Adult Services	Public Health - Out of Hours Call Service	Historic unachieved saving	24,800

Children's Services	Shrewsbury Training and Development Centre	Reduced income	42,000
Children's Services	Children's Social Care Placements	Staff budget / demography	475,500
Children's Services	Social Work Teams	Staff budget	19,310
Children's Services	Children's Social Care Agency Costs	Staff budget	145,300
Finance, Governance and Assurance	Revenues and Benefits	Reduced income (Housing Benefits subsidy)	573,150
Place	Corporate Landlord	Increased contract costs / reduced income	249,000
Place	Strategic Asset Management	Staff budget	88,000
Place	Shrewsbury Shopping Centres	Reduced rental income and increased costs of rates and insurance	429,000
Place	Planning Services	Building control emergency works	166,480
Place	Leisure Facilities	Staff budget / reduced income at in house facilities	26,000
Workforce and Transformation	Digital Services	Historic unachieved saving	17,000
Workforce and Transformation	DTP - Single Front Door / Face to Face Review	Historic unachieved saving	495,000
TOTAL			3,154,413

All of these budget pressures are forecast to impact budget positions in 2020/21. Significant further work is required within service areas to find an ongoing basis for managing and funding these pressures so that further growth is not required within the Financial Strategy, leading to an increase in the funding gap.

7.8 Table 4 below shows the impact of the ongoing pressures identified in 2019/20 on each service area's outturn position.

Table 4: Reconciliation of Monitoring Projections to Savings Delivery

	Controllable Outturn	Savings Pressure in 2019/20	Ongoing Monitoring Pressures Identified	Ongoing Monitoring Savings Identified	One Off Monitoring Pressures Identified	One Off Monitoring Savings Identified
	£000	£000	£000	£000	£000	£000
Adult Services Business Support & Development	(152)				198	(350)
Adult Services Management	44				155	(111)
Provider Services	(196)				230	(426)
Housing Services	46		404		130	(488)
Social Care Operations	613				1,809	(1,196)
Bereavement Services	(38)					(38)
Regulatory Services	(211)					(211)
Trading Standards and Licensing	(229)					(229)
Registrars and Coroners	(56)					(56)
Non Ring Fenced Public Health Services	284	207			116	(39)
Ring Fenced Public Health Services	781	959	25		91	(294)
Adult Services	885	1,166	429	0	2,729	(3,439)

	Controllable Outturn £000	Savings Pressure in 2019/20 £000	Ongoing Monitoring Pressures Identified £000	Ongoing Monitoring Savings Identified £000	One Off Monitoring Pressures Identified £000	One Off Monitoring Savings Identified £000
Central DSG	0				1,368	(1,368)
Central DSG	0	0	0	0	1,368	(1,368)
Learning & Skills	2,189	717	42		1,791	(362)
Children's Social Care & Safeguarding	4,697		640		5,089	(1,032)
Early Help, Partnerships and Commissioning	(235)				0	(235)
Children's Services Management	18	20			18	(21)
Children's Services	6,668	737	682	0	6,898	(1,650)
Corporate Budgets	(11,352)				371	(11,724)
Corporate Budgets	(11,352)	0	0	0	371	(11,724)
Audit Services	(80)					(80)
Finance	12				189	(176)
Pension Administration Services	4				4	
Revenues and Benefits	(118)		573			(691)
Treasury Services	(55)					(55)
Commissioning Development and Procurement	(280)			(100)		(180)
Risk Management and Insurance	(31)					(31)
Finance, Governance and Assurance	(548)	0	573	(100)	193	(1,214)
Democratic Services	(139)					(139)
Elections	(183)	20			8	(211)
Legal & Democratic Services	197				290	(93)
Legal and Democratic Services	(125)	20	0	0	298	(443)
Head of Commercial Services	64	50			14	
Corporate Landlord	777		249		870	(341)
Facilities Management	54	26			28	
Property Services	441				441	
Strategic Asset Management	322	100	88		134	
Commercial Investment Team	(527)					(527)
Shire Services	0	300			252	(552)
Director of Place	1,254	1,190			64	
Head of Economic Growth	1				1	
Planning Services	186		166		34	(14)
Economic Growth	(133)					(133)
Shrewsbury Shopping Centres	434		429		180	(175)
Broadband	(29)					(29)
Planning Policy	(174)					(174)
Head of Infrastructure and Communities	175				175	
Arts	(2)					(2)
Highways and Transport	2,241	1,007			2,520	(1,286)
Shropshire Hills AONB	(19)					(19)
Outdoor Partnerships	23	50				(27)
Leisure	272		26		281	(35)
Libraries	110	98			99	(87)
Museums and Archives	(38)				102	(140)
Theatre Services	60				60	
Waste Management	602	700				(98)
Head of Culture, Leisure and Tourism	162	100			79	(17)
Place	6,256	3,621	958	0	5,334	(3,657)
Strategic Management Board	(92)					(92)
Strategic Management Board	(92)	0	0	0	0	(92)
Customer Services	(342)				235	(577)

	Controllable Outturn £000	Savings Pressure in 2019/20 £000	Ongoing Monitoring Pressures Identified £000	Ongoing Monitoring Savings Identified £000	One Off Monitoring Pressures Identified £000	One Off Monitoring Savings Identified £000
ICT Digital Transformation Project	1,524	990	495		39	
ICT Services	(654)		17		243	(914)
Communications	(54)					(54)
Information, Intelligence and Insight	(152)					(152)
Human Resources & Organisational Development	(323)				98	(421)
Workforce and Transformation	(0)	990	512	0	615	(2,117)
TOTAL	1,692	6,534	3,154	(100)	17,806	(25,702)

7.8. The Council operates two internal funds to help deliver savings now and into the future. The Invest to Save Fund was established in 2014 enabling business cases to be put forward with the aim to generate savings and repay the investment back into the fund with interest. From an opening balance of £2.0m in 2014, additional investment into and repayments to the fund since have resulted in an opening balance of £3.920m in 2019. In total since the fund was created investment of £4.138m has been approved, of which £2.184m has been spent to date, and repayments totaling £1.900m have been made from projects. There are expected bids pending in 2020/21 that would fully commit the fund until further repayments have been achieved. The Development Fund was established for similar purposes, but where a proposal would not deliver a direct or short-term return on investment. Spend in year has totaled £0.768m, with approved commitments of £1.430m, leaving uncommitted funds of £0.097m year end. The base budget of £0.619m has been reduced as part of the savings strategy for 2020/21 to £0.319m, with additional one-off funding added to the fund at the end of 19/20, meaning that the total available funding for 20/21 to support appropriate schemes and investments stands at £0.717m.

8. General Fund Balance

8.1. The effect on the Council's reserves of the outturn is detailed below. The Council's policy on reserve balances is to have a General Fund balance (excluding schools balances) of between 0.5% and 2% of the gross revenue budget. For 2019/20 the minimum balance required would therefore be £2.842m, although this is no longer considered to be an acceptable guide.

8.2. The more appropriate risk-based target balance for the General Fund, as calculated in the Robustness of Estimates and Adequacy of Reserves section of the MTFS, reported to Council on 27th February 2019, is £16.071m in 2019/20, rising to £29.925m by 2024/25. These figures were significantly increased within the review, reflecting the remaining funding gap in these years as set out in the Financial Strategy, and the significant level of risk associated with the uncertainty over local government funding.

8.3. The Council has received one-off funding in 2019/20 of £0.210m to fund any cost implication arising from Brexit. This is in addition to the £0.105m received in 2018/19. The funding has been contributed to the General Fund as shown in table 5 below, as any residual costs arising from Brexit will have to be found

from the General Fund balance. Expenditure in 2019/20 has been £0.044m, incurred within Regulatory Services.

- 8.4. In 2019/20 the General Fund has been used to pay for the emergency expenditure incurred during Storm Dennis, up to the value of the Bellwin threshold (£0.460m), as described above. The fund has also been used to offset Shire Services' deficit outturn position, as £0.082m deficit remained unfunded after drawing down Shire Services' earmarked reserve. This use of the General Fund effectively represents a loan to Shire Services which must be repaid in 2020/21.
- 8.5. Predominantly due to the outturn position, the General Fund balance has reduced at year-end to £13.510m, as shown in table 5 below. The balance remains significantly below the required risk assessed target, and has reduced by £2.027m (13%) since 31st March 2019.

Table 5: General Fund Balance as at 31 March 2020

General Fund Balance as at 31 March 2019	15,537
One-Off Brexit Funding for 2019/20	105
One-Off Brexit Funding for 2020/21	105
Brexit Expenditure	(44)
Net Increase in Brexit Funds Held	166
Use of Fund for Emergency Storm Dennis Expenditure	(460)
Use of Fund to Offset Shire Services' Deficit Position - to be repaid by Shire Services in 2020/21	(82)
Outturn Controllable Overspend	(1,692)
Outturn Non-Controllable Insurance Underspend	41
Net Reduction to Offset Overspend	(1,651)
Balance at 31 March 2020	13,510

9. Housing Revenue Account (Appendix 2)

- 9.1 The Housing Revenue Account (HRA) outturn for 2019/20 shows a surplus of (£0.327m) against a budgeted deficit of £3.780m, giving a (£4.106m) variance against the approved budget, which represents 23% of the gross turnover of £17.691m. The HRA was due to make a direct contribution of £4.898m to part finance the capital works programme for major repairs and building new affordable homes, however delays in these capital schemes have resulted in this spend being delayed and therefore this spend will instead be released in 2020/21. As at 31 March 2020 the HRA reserve stood at £10.1m and these funds are available to finance future HRA capital works or for the repayment of HRA debt.

10. Reserves and Provisions (Appendix 4)

- 10.1. The Council has created a number of specific reserves and provisions to provide for known or anticipated future liabilities and to assist in protecting essential services. Earmarked reserves are balances held for specific items that will occur in the future. Provisions are held to meet expenses that will occur as a result of past events and where a reliable estimate can be made of the obligation.
- 10.2. The overall position for reserves and provisions is set out in the Statement of Accounts 2019/20, however a detailed breakdown of the balances is contained at Appendix 4, with an explanation of each reserve and provision. These figures may be subject to change before the Council's final Statement of Accounts is produced. The change in revenue reserves and provisions are detailed in table 6 below. The level of reserves had decreased more significantly in 2019/20 than demonstrated below however due to the receipt of the first instalment of the COVID-19 grant of £8.97m on the 23rd March, this has resulted in this being carried forward in reserves to be utilised in 2020/21 as expenditure has arisen.

Table 6: Movement in Reserves and Provisions 2019/20

Balance Held	Reserves £000	Provisions £000	Bad Debt Provisions £000	Total Reserves & Provisions £000
As at 31 March 2019	71,726	12,410	12,260	96,396
As at 31 March 2020	67,993	14,466	13,580	96,039
Increase/(Decrease)	(3,733)	2,056	1,320	(357)
Delegated School Balances Movement	(2,288)	0	0	(2,288)
Increase/(Decrease) (excluding Delegated School Balances)	(1,445)	2,056	1,320	1,931

- 10.3. In accordance with the financial strategy the Council plans to use one off funding to close the funding gap between 2020/21 and 2021/22. This will result in the Financial Strategy Reserve reducing to zero by 2021/22 unless an alternative strategy is followed. It should be noted that this plan as per the MTFs was established before the COVID-19 pandemic that is affecting the 2020/21 financial year, and it may become necessary to utilise this reserve in 2020/21 instead. The balance of digital transformation funding is also held in the Development Reserve and this will be fully applied in 2020/21. Other Earmarked Reserves are expected to fall over the coming years for a number of reasons. It is difficult to project use with any accuracy, but balances would not be expected to fall to below £25m in the long term. The estimated future balances on earmarked reserves are as shown in table 7 below:

Table 7: Estimated Future Balances on Earmarked Reserves and Provisions

	Balance c/f 2019/20	Estimated Closing Balance	
		2020/21	2021/22

	£'000	£'000	£'000
Financial Strategy Reserve	20,802	20,502	0
Development Reserve	7,243	2,136	782
Other Earmarked Reserves	39,948	36,910	26,760
Provisions	28,046	28,046	28,046
Total	96,039	87,594	55,588

Delegated School Balances

10.4. The movement in delegated schools' balances are detailed in table 8.

Table 8: Movement in delegated schools' balances 2019/20

	2018/19 £000	2019/20 £000	Increase/ (Decrease) £000
Schools:			
- Revenue Balances	2,983	3,041	58
- Invested Balances	607	516	(91)
- Extended Schools Grant Balance	645	623	(22)
Sub Total within Schools	4,235	4,180	(55)
Purchasing IT equipment	(55)	(41)	14
DSG Deficit	0	(2,248)	(2,248)
Total Delegated School Balances	4,180	1,891	(2,289)

- 10.5. Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion. Of the 87 schools with balances, 82 schools have surplus balances and 5 have deficit balances.
- 10.6. The Extended Schools Grant allocations for schools were paid over during 2019/20, these balances have been ringfenced to each individual school within School Balances.
- 10.7. Following consultation with the school's forum and head teachers, the school balances have been used to purchase IT equipment for schools, the cost of this equipment is then recharged to schools over the life of that equipment, effectively operating as an internal leasing arrangement. At the end of 2019/20 £0.41m of the £4.180m was being used in this way.
- 10.8. In 2018/19 there was a deficit position on the Dedicated Schools Grant (DSG) where expenditure, particularly within the High Needs Block was in excess of the DSG funding received. This was temporarily funded from the Council's earmarked reserves in 2018/19. The balance was due to be repaid by schools as soon as possible, however this has not been possible in 2019/20, and the deficit has increased further. In addition, the Department for Education have now stated that any deficit balance should be held against school balances rather than the Council's earmarked reserves and so the cumulative deficit of £2.248m has reduced schools' balances down to £1.891m.

11. Original & Final Capital Programme for 2019/20

- 11.1 The capital budget for 2019/20 was subject to a review of all projects at Quarter 3 and re-profiling where required into future years with no further re-profiling into future years being anticipated during Quarter 4. However, in Quarter 4 it has been necessary to undertake further re-profiling. Additionally, in Quarter 4 there has been a net budget increase for 2019/20, compared to the position reported at Quarter 3 2019/20. In total, during Quarter 4 there has been a net budget increase of £9.710m. Table 9 summarises the overall movement, between that already approved, changes for Quarter 4 that require approval.

Table 9: Revised Capital Programme Quarter 4 2019/20

Detail	Agreed Capital Programme - Council 28/02/19 £	Slippage & Budget Changes Approved To Quarter 3 2019/20 £	Quarter 4 Budget Changes to be Approved £	Revised 2019/20 Capital Programme Quarter 4 £
General Fund				
Place	37,276,536	(594,495)	8,044,457	44,726,498
Adult Services	3,600,000	440,074	-	4,040,074
Public Health	230,000	(141,364)	-	88,636
Childrens Services	14,628,959	(6,381,707)	708,145	8,955,397
Resources & Support	5,000,000	(868,422)	1,020,224	5,151,802
Total General Fund	60,735,495	(7,545,913)	9,772,826	62,962,408
Housing Revenue Account	7,600,950	481,409	(62,887)	8,019,472
Total Approved Budget	68,336,445	(7,064,504)	9,709,939	70,981,880

- 11.2 Full details of all budget changes are provided in Appendix 5 to this report. A summary of the significant budget changes for 2019/20 and future years are detailed below:

Budget Increases

- Increase in Prudential Borrowing of £12.420m and £0.900m in relation to commercial investments as approved in the Capital Investment Strategy and the Children's Residential Care scheme respectively.
- Increase in government grants of £3.517m in relation to the North West Relief Road (NWRR) scheme following the award of Department for Transport (DfT) Local Majors funding of £54.406m.
- Increase in revenue contributions of £1.020m in relation to Invest to Save (I2S) ICT Upgrade capital schemes.
- Increase in government grants of £0.025m in relation to the Rapid Vehicle Electric Charging Points scheme following notification of additional DfT funding.
- Increase in Community Infrastructure Levy (CIL) of £0.500m in relation to the Shrewsbury Integrated Transport Programme (SITP).
- Increase in S106 Grant Scheme funding of £0.345m for Town and Parish Council schemes added to the programme.
- Increase in ERDF funding of £0.109m and revenue contributions of £0.095m in relation to the Corporate Landlord Sustainable Energy in Public Sector Buildings (SEPUBU) programme.

- Increase in government grants of £0.157m in relation to the Schools Full Fibre Broadband programme following the award of Department for Education (DfE) Full Fibre Broadband Grant.
- Increase in Section 106 and private sector contributions of £0.149m and £0.009m respectively in relation to integrated transport schemes.
- Increase in private sector contributions of £0.075m in relation to the Broadband scheme.
- Increase in Corporate Landlord Revenue Contributions to specific schemes of £0.162m.
- Increase in schools Revenue Contributions to specific schemes of £0.014m.

Budget Decreases

- Reduction of £0.347m in capital receipts requirement in relation to Corporate Landlord scheme following confirmation that the scheme is no longer proceeding.
- Transfer of One Public Estate Funding of £0.075m to Clinical Commissioning Group (CCG).
- Reduction of £0.063m in capital receipts requirement in relation to the HRA Housing New Build Phase 5 scheme to match anticipated expenditure profile.
- Reduction in schools' DFC allocations of £0.018m as a result of an academy conversion.
- Reduction in diocese contribution to specific schools' scheme of £0.017m.
- Reduction in I2S revenue contributions of £0.001m required in relation to the Corporate Landlord SEPUBu programme.

Budget Re-profiling

- **Place:** re-profiling of £8.945m Prudential Borrowing in relation to commercial investments to reflect expected expenditure at outturn.
- **Children's Services:** re-profiling of £0.014m capital receipts, £0.156m Early Years Capital Grant and £0.153m Basic Need Grant Other Contributions in relation to both the School Place Plan Programme (£0.198m) and Early Years schemes (£0.125m) to match the anticipated expenditure profile and reflect expected expenditure at outturn respectively.

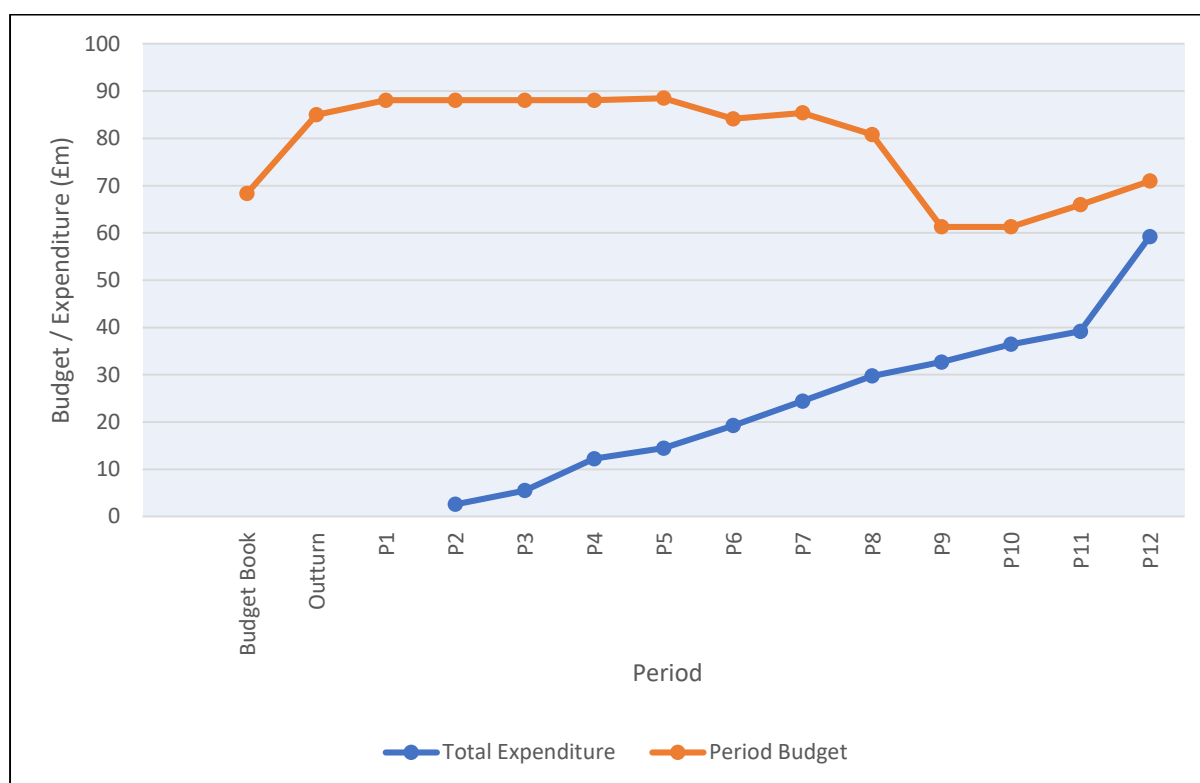
12. Capital Outturn Position

- 12.1. The capital programme is reviewed on a regular basis to re-profile the budget to reflect the multi-year nature of capital schemes, whereby spend may slip into later years. However, it is possible that a level of underspend or overspend may be experienced against the revised capital budget at outturn. Outturn projections are incorporated into the capital monitor to enhance the monitoring information provided and allow the early identification where schemes are deviating from budget. Table 10 summarises the outturn position for 2019/20.

Table 10: Capital Programme Outturn Position by Service Area 2019/20

Detail	Revised Capital Programme - Outturn 2019/20 £	Actual Expenditure 31/03/2020 £	Variance £	Spend To Budget %
General Fund				
Place	44,726,498	39,043,092	5,683,406	87%
Adult Services	4,040,074	3,089,165	950,909	76%
Public Health	88,636	81,509	7,128	92%
Childrens Services	8,955,397	6,869,768	2,085,629	77%
Resources & Support	5,151,802	4,156,901	994,902	81%
Total General Fund	62,962,408	53,240,435	9,721,973	85%
Housing Revenue Account	8,019,472	5,968,912	2,050,560	74%
Total Approved Budget	70,981,880	59,209,347	11,772,533	83%

12.2. Total capital expenditure for 2019/20 was £59.209m, which equated to 83% of the re-profiled capital programme of £71.981m. The graph below shows actual expenditure by period and tracks the period by period changes to the budget.



12.3. There was a total variance of £11.773m between the revised Outturn Budget and the Outturn Expenditure. All of this underspend will be slipped to 2020/21 to facilitate completion of projects commenced in 2019/20. Full details of expenditure variances are in Appendix 5. A summary of significant variances by service area are provided below.

12.4. **Place** - Total underspend against the Place capital programme was £5.683m. The most significant areas of underspend are:

- £0.908m against the Broadband Project due to reprofiling with BDUK.

- £0.720m against the North West Relief Road scheme, this has been carried forward into 2020/21 as the project develops.
- £0.700m against the local transport plan due to storm and flood re-prioritisation of staff and the underspend has been carried forward into 2020/21.
- £0.706m against Corporate Landlord. £0.280m of this is against the Ellesmere Remediation scheme.
- £0.650m against the Commercial Investment Programme.
- £0.634m against LEP schemes, primarily SITP (£0.482m).
- £0.327m against Parking Strategy - Car Park Machines.
- £0.300m against Bridges and Structures due to storm and flood re-prioritisation of staff and the underspend is carried forward to 2020/21.
- £0.277m against Physical Regeneration schemes, £0.251m of which relates to Oswestry HIF.
- £0.130m against Planning Policy - Affordable Housing schemes.
- £0.100m against drainage due to storm and flood re-prioritisation of staff and underspend has been carried forward into 2020/21.
- Various other minor underspends have occurred on projects across other areas of Place & Enterprise.

- 12.5. **Adult Services** - Total underspend against Adult Services was £0.951m. This was £0.314m on Social Care schemes and £0.637m on Housing Health & Wellbeing. Within Housing Health & Wellbeing, £0.462m is against Disabled Facilities Grant (DFG), despite significant re-profiling at Quarter 3. This is simply due to the nature of the grant awards and assessment timeframes. A further £0.175m is against the HOLD scheme. This is due to genuine delays in securing mortgages from providers resulting in low grant awards to assist purchase. The scheme will continue in 2020/21 with continued Government support.
- 12.6. **Public Health** - Total underspend against the Public Health capital programme was £0.007m. This was entirely in relation to Private Sector Housing Empty Property Incentive Grants.
- 12.7. **Children's Services** - Total underspend against the Children's Services capital programme was £2.086m. The most significant areas of underspend were £0.618m in Children's Residential Care, £0.663m on Basic Need schemes, £0.157m on Full Fibre schemes and £0.538m on Condition schemes. These overspends occurred despite re-profiling in year.
- 12.8. **Resources & Support** - Total underspend against the Resources & Support capital programme was £0.995m in relation to the ICT Digital Transformation Programme.
- 12.9. **Housing Revenue Account** - Total underspend against the HRA programme of £2.051m, of which £1.464m was on the Major Repairs Programme and £0.500m was on the New Build Programme.

13. Financing of the Capital Programme

13.1. Appendix 5 provides a full summary of the financing of the 2019/20 capital programme. Table 11 summarises the financing sources and changes made to Quarter 3 and to be approved to Quarter 4.

Table 11: Revised Capital Programme Financing

Financing	Agreed Capital Programme - Council 28/02/19	Slippage & Budget Changes Approved To Quarter 3 2019/20	Quarter 4 Budget Changes to be Approved	Revised 2019/20 Capital Programme Quarter 4
	£	£	£	£
Self Financed Prudential Borrowing *	4,252,000	1,104,420	4,375,000	9,731,420
Government Grants	38,254,230	(3,704,688)	3,297,334	37,846,876
Other Grants	50,040	895,713	183,787	1,129,540
Other Contributions	2,899,459	646,745	987,244	4,533,448
Revenue Contributions to Capital	4,214,293	(1,193,504)	1,290,724	4,311,513
Major Repairs Allowance	3,900,950	652,649	-	4,553,599
Corporate Resources (expectation - Capital Receipts only)	14,765,473	(5,465,839)	(424,150)	8,875,484
Total Confirmed Funding	68,336,445	(7,064,504)	9,709,939	70,981,880

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

13.2 Within the financing of the Capital Programme £4.312m is funded from revenue contributions. The major areas of revenue contributions to capital are in ringfenced HRA monies to undertake major housing stock repairs (£0.761m) and new build schemes (£1.700m), ICT Upgrades (£1.020m) and essential repairs in relation to the Corporate Landlord estate (£0.688m).

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

14.1. The updated capital programme is summarised by year and financing in Table 12 below:

Table 12: Capital Programme 2020/21 to 2022/23

Service Area	2020/21	2021/22	2022/23
General Fund			
Place	74,232,860	56,934,566	75,709,635
Adult Services	8,237,606	3,200,000	3,200,000
Public Health	267,127	-	-
Childrens Services	17,869,859	11,000,000	5,500,000
Resources & Support	2,394,901	-	-
Total General Fund	103,002,353	71,134,566	84,409,635
Housing Revenue Account	24,306,173	18,700,000	18,700,000
Total Approved Budget	127,308,526	89,834,566	103,109,635
Financing			
Self Financed Prudential Borrowing *	41,780,062	30,910,000	30,910,000
Government Grants	48,791,451	34,244,172	61,499,635
Other Grants	1,140,154	-	-
Other Contributions	13,964,196	13,565,277	-
Revenue Contributions to Capital	4,906,890	2,014,293	2,000,000
Major Repairs Allowance	5,879,247	3,700,000	3,700,000
Corporate Resources (expectation - Capital Receipts only)	10,846,526	5,400,824	5,000,000
Total Confirmed Funding	127,308,526	89,834,566	103,109,635

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

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

15. Capital Receipts Position

15.1 The current capital programme is heavily reliant on the Council generating capital receipts to finance the capital programme. There is a high level of risk in these projections as they are subject to changes in property and land values, the actions of potential buyers and being granted planning permission on sites. Table 13 below, summarises the current allocated and projected capital receipt position across 2019/20 to 2022/23. A RAG analysis has been applied for capital receipts projected, based on the current likelihood of generating them by the end of each financial year. Those marked as green are highly likely to be completed by the end of the financial year, amber are achievable but challenging and thus there is a risk of slippage, and red are highly unlikely to complete in year and thus there is a high risk of slippage. However, no receipts are guaranteed to complete in this financial year as there may be delays between exchanging contracts and completing.

15.2 Capital receipts of £20.478m were brought forward from 2018/19 and £5.135m was generated in 2019/20. As previously reported, following the re-profiling in the capital programme and mid-year review of the programme, enough receipts have been generated to finance this year's capital programme without any corporate prudential borrowing. Of the receipts generated in year, £2.329m has been used to finance redundancy costs under the recent flexibilities around the use of Capital Receipts for transformation revenue purposes.

Table 13: Projected Capital Receipts Position

Detail	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Corporate Resources Allocated in Capital Programme	5,003,870	8,423,566	5,400,824	-
Capital Receipts used to finance redundancy costs	2,329,434	-	-	-
To be allocated from Ring Fenced Receipts	-	14,158,758	-	-
Total Commitments	7,333,304	22,582,324	5,400,824	-
Capital Receipts in hand/projected:				
Brought Forward in hand	20,478,421	18,280,241	464,849	(4,935,975)
Generated 2019/20 YTD	5,135,125	-	-	-
Projected - 'Green'	-	4,766,932	-	-
Total in hand/projected	25,613,546	23,047,173	464,849	(4,935,975)
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	(18,280,241)	(464,849)	4,935,975	4,935,975
Further Assets Being Considered for Disposal	-	26,941,235	8,623,404	-

- 15.3 Following the underspend position for the capital programme for 2019/20 and the Council policy of applying un-ringfenced capital grants in place of capital receipts where they are not required in full due to scheme underspends, the Council has £19.619m in capital receipts in hand at 31/03/20. These will be set-aside, enabling the Council to achieve an additional MRP saving of £0.693m in 2020/21. These capital receipts are required to finance schemes they are allocated to in the future years' capital programme.
- 15.4 Based on the current approved position, across the life of the programme there is a small surplus in capital receipt projections of £0.465m in 2020/21 and a shortfall of £4.936m in 2021/22 based on receipts rated green in the RAG analysis to fund the required budget in the capital programme. There is, therefore, the requirement to progress the disposals rated amber and red which total £35.565m to ensure they are realised, together with realising the revenue running cost savings from some of the properties. Considerable work is required to realise these receipts, with generally a lead in time of at least 12 to 18 months on larger disposals. In addition to the current expenditure commitments, the programme will also grow as new schemes are approved through the Capital Investment Board.
- 15.5 It is important that work progresses, to avoid a funding shortfall in 2020/21 and minimise any shortfall in future years. Failure to generate the required level of capital receipts will result in the need to further reduce or re-profile the capital programme, some of which will occur naturally as part of the review of the delivery of schemes; or undertake prudential borrowing, which will incur future year's revenue costs that are not budgeted in the revenue financial strategy.
- 15.6 The projected shortfall in capital receipts is purely based on the currently approved capital programme for the period 2020/21 to 2022/23. The current Capital Strategy 2020/21 to 2024/25, approved by Council in February 2020, identifies potential future capital schemes with estimated costs of £402.422m. It is prudent for schemes which are not anticipated to generate additional income to be funded from capital receipts. This will further increase the future pressure on capital receipts generation.

16. Unsupported borrowing and the revenue consequences

- 16.1. The Council can choose what level of unsupported (prudential) borrowing to undertake to fund the capital programme, based on affordability under the prudential code. There is an associated revenue cost to fund the cost of the unsupported borrowing. This consists of the Minimum Revenue Provision (MRP) charge for the repayment of the principal amount, based on the asset life method and the interest charge associated with the borrowing. The current PWLB borrowing rate over 25 years is around 2.40% and is currently only projected to rise by around 0.30% across the next 18 months. As covered in Section 15 above there are insufficient receipts in hand/projected to finance the existing approved programme. If there were to be a requirement for new schemes financed from borrowing, this could be accommodated from within

existing borrowing and current cash balances in the short term, without the requirement to undertake new borrowing. This would, however, create an additional MRP cost, which would need to be met from the revenue budget.

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

Revenue and Capital Budget 2019/20

Financial Rules

Financial Monitoring Report – Quarter 1 2019/20

Financial Monitoring Report – Quarter 2 2019/20

Financial Monitoring Report – Quarter 3 2019/20

Appendices

1. Service Area Outturn 2019/20
2. Housing Revenue Account 2019/20
3. Amendments to Original Revenue Budget 2019/20
4. Reserves and Provisions 2019/20
5. Capital Budget and Expenditure 2019/20

Appendix 1

Service Area Outturn 2019/20**Summary**

Directorate	Full year			RAG BY	FOR INFO ONLY		
	Net Budget £	Controllable Outturn £	Controllable Variation £		Outturn (incl. Non Controllable items*) £	Non Controllable Variation £	Total Variation £
Adult Services	107,822,930	108,708,418	885,488	G	109,080,339	371,921	1,257,409
Central DSG	-	-	-	G	-	-	-
Children's Services	49,862,833	56,530,881	6,668,048	R	57,167,120	636,240	7,304,287
Corporate Budgets	(5,235,570)	(16,587,912)	(11,352,342)	Y	(18,456,407)	(1,868,495)	(13,220,837)
Finance, Governance & Assurance	2,828,070	2,280,326	(547,744)	Y	2,325,409	45,082	(502,661)
Legal & Democratic Services	505,730	380,318	(125,412)	Y	391,924	11,606	(113,806)
Place	57,655,110	63,911,265	6,256,155	R	64,481,128	569,863	6,826,018
Strategic Management Board	(14,230)	(106,728)	(92,498)	Y	(107,119)	(392)	(92,889)
Workforce & Transformation	413,887	413,719	(168)	Y	607,393	193,675	193,506
TOTAL	213,838,760	215,530,287	1,691,527	G	215,489,786	(40,500)	1,651,026

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

Detail of Controllable Outturn and Variations

ADULT SERVICES	Full Year			RAGY
	Budget £	Controllable Outturn £	Controllable Variance £	
Total	107,822,930	108,708,418	885,488	G

Adult Services Business Support and Development	Portfolio Holder Adult Social Services and Climate Change	3,420,180	3,267,959	(152,221)	Y
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<p>There is an underspend within Business Support and Development of (£0.152m) which is largely due to a number of managed vacancies across the service. The vacancies are not sustainable beyond the short-term, but have not impacted service delivery in 2019/20. A summary of the major variances are as follows:</p> <ul style="list-style-type: none"> • (£0.084m) underspend on Business Support. This is largely down to staffing and costs associated with the posts, due to delays in appointing to vacant posts and staff movements within the service. • (£0.042m) underspend on Joint Training and the Professional Development Unit which relates to reduced service delivery and staffing costs. This is offset by an under achievement of income/loss of grants. • (£0.024m) underspend on Project costs where we have not managed to roll budget into service delivery. There will be a corresponding overspend within Social Care Operations. 					
Adult Services Management	Portfolio Holder Adult Social Services and Climate Change	2,667,680	2,711,984	44,304	G
<p>There is an overspend within Adult Services Management of £0.044m. A summary of the major variances are as follows:</p> <ul style="list-style-type: none"> • (£0.056m) underspend on staffing due to in year delays in recruitment to Service Manager posts. • £0.050m overspend on the Apprenticeship Levy. • £0.050m one-off overspend on IT consultancy charges due to investment in new technology. 					
Provider Services	Portfolio Holder Adult Social Services and Climate Change	2,787,890	2,592,026	(195,864)	Y
<p>There is an underspend within Provider Services of (£0.196m). The major variances are as follows:</p> <ul style="list-style-type: none"> • (£0.154m) underspend on preventative services contracts and increased Shared Lives Housing Benefit. This is a one-off saving in year. • (£0.262m) underspend across all Day Services. (£0.101m) due to in year staffing vacancies. (£0.057m) due to overachievement of CHC income and (£0.104m) due to reducing the provision for bad debt. • £0.066m historic overspend relating to Four Rivers Nursing Home, due to higher than budgeted staff costs, including agency spend of £0.148m. • £0.156m overspend relating to the START teams, this is due to the growth of the service to take over cases previously dealt with by external providers. There is a corresponding underspend in Social care Operations. 					
Housing Services	Portfolio Holder Housing and Strategic Planning	3,199,410	3,245,651	46,241	G
<p>There is an overspend within Housing Services of £0.046m. The major variances are as follows:</p> <ul style="list-style-type: none"> • (£0.007m) underspend on staffing due to in year staff vacancies. • (£0.052m) net effect of over-achievement of income targets linked to savings plans. These have been built into 20/21 income savings • £0.052m increase of bad debt provision • £0.053m net effect of temporary accommodation overspend of £0.404m, which was offset by the use of one-off flexible homelessness grant and reserves (£0.350m) 					
Social Care Operations	Portfolio Holder Adult Social Services and Climate Change	91,087,340	91,700,698	613,358	G
<p>There is an overspend of £0.613m within the Social Care Operations section of Adult Services. The major variances are as follows:</p> <ul style="list-style-type: none"> • £1.398m overspend within the purchasing budget. Although we have not seen a material increase in service user numbers there are more service users with complicated needs aged 18-24 that are higher costs than elderly low level support service users. Coupled with growing average weekly costs of care, this has led to an overspend in provision. Growth allocated in 20/21 should solve this problem. We have also increased the bad debt provision in this area, which equates to £0.180m of the overspend. • (£0.424m) underspend on all operational social work staffing due to delays in appointing to a number of staff vacancies. This is not sustainable in the longer term. • £0.041m overspend within maintenance costs across social care operations mainly with regards to occupational therapy equipment and supported living properties. • £0.136m overspend on transport costs. • (£0.537m) underspend on OT equipment. A decision was made to fund this spend from Capital monies which has freed up the revenue budget 					
Bereavement Services	Deputy Portfolio Holder Public Health	(217,880)	(256,371)	(38,491)	Y
<p>Overall, an underspend of (£0.038m) is reported, as work on grounds maintenance has improved the cemetery areas and resulted in a greater number of burial plots available for sale, increasing Council revenues.</p>					

Regulatory Services	Portfolio Holder Communities, Place Planning and Regulatory Services	3,061,800	2,850,589	(211,211)	Y
An underspend of (£0.211m) is reported due to a number of vacant posts within the service and the long term secondment of a Team Manager. Plans are in place to appoint to the vacant posts and the budget for the Team Manager is required to be held substantively; therefore the underspend variance is not sustainable beyond the short term.					
Trading Standards and Licensing	Portfolio Holder Communities, Place Planning and Regulatory Services	960,050	730,801	(229,249)	Y
(£0.145m) of the (£0.229m) variance is as a result of overperformance on Penalty Charge Notice income compared with the annual target set. Penalty Charge Notice income generated as a result of Parking Enforcement activities are performed on a cost recovery basis and therefore any surplus is reinvested into the delivery of the services. The remaining underspend variance of (£0.084m) is due to a number of vacant posts within the service and long term absences. Plans are in place to appoint to the vacant posts and therefore this underspend variance is not sustainable beyond the short term.					
Registrars and Coroners	Deputy Portfolio Holder Public Health	795,530	739,257	(56,273)	Y
An underspend of (£0.056m) is reported due to lower than expected Coroner fees and higher than budgeted Registration Fee income. The Registration service continues to operate commercially in order to maximise income and control its costs and has delivered £0.040m of savings in 2019/20.					
Non Ring Fenced Public Health Services	Deputy Portfolio Holder Public Health	33,250	317,282	284,032	R
Public Health services funded from Council budgets have been reviewed and savings have been made through the decommissioning of non-mandatory services and staffing restructures. The intention to close the Shrewsbury CCTV monitoring service to generate a saving has now been rescinded and therefore the operating costs of this service are a £0.225m cost pressure to the Council in 2019/20. This includes previously unachieved savings of £0.113m on the CCTV budget. Discussions are ongoing with partner organisations in order to identify potential funding streams to offset annual operating costs. In addition to this, a number of savings were not fully achievable in 2019/20 as they are subject to statutory time scales, such as 45 day consultation periods in relation to staffing restructures, leading to a delay in achievement.					
Therefore, Non Ring Fenced Public Health services are reporting an overspend of £0.284m in 2019/20.					
Ring Fenced Public Health Services	Deputy Portfolio Holder Public Health	27,680	808,542	780,862	R
Services funded from the Ring Fenced Public Health grant have been reviewed and savings have been made through the decommissioning of non-mandatory services and from the realisation of synergies as Public Health has been subsumed within the Adult Services directorate from 1st April 2019.					
A number of savings from the Ring Fenced funded services have been delayed and were therefore not fully achievable in 2019/20 as they are subject to statutory time scales, such as 45 day consultation periods in relation to staffing restructures. A restructuring of the Substance Misuse team to work more closely with the Adult Social Care commissioning team has been implemented on 1st October 2019, resulting in redundancies from the existing Public Health team.					
Further savings achieved include the decommissioning of non-mandated services provided by Help2Chang. This has resulted in staff redundancies and a reduction in services from 1st September 2019.					
Further pressures on the Public Health budget include unachievable savings which have been committed in prior financial years, however, the cost pressures remain in the service and impact on the level of savings that can be achieved; this includes pathology services, FP10 prescribing, inpatient beds and Children and Young People's hubs. In addition, cost pressures remain due to; increasing costs and expenditure on prescribing (a nationally identified budget pressure) which has exceeded budgeted levels, and the out of hours call monitoring contract which is resulting in an overspend as the financial resources allocated have been removed as savings. Work continues to review services and budgets in order to identify opportunities to reduce the overspend in Public Health services and to return the services to financial balance in future years.					

CENTRAL DSG	Full Year			RAGY
	Budget £	Controllable Outturn £	Controllable Variance £	
Total	-	-	-	G

Central DSG	Deputy Portfolio Holder Education	-	-	-	G
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There was an overspend of £1.368m against the Central DSG budget. This is the in-year deficit which when added to last year's deficit of £0.879m results in the Central DSG reporting a cumulative deficit of £2.247m.

The Department for Education requires Local Authorities to submit a DSG deficit recovery plan in the event that their cumulative DSG overspend at the end of a financial year, exceeds 1% of their DSG allocation. Given that Shropshire's DSG allocation for 2019-20 is currently £204.587m the 1% threshold is equal to £2.046m and therefore the cumulative deficit position being reported of £2.247m breaches this limit and triggers the requirement for a detailed DSG deficit recovery plan to be submitted to the Department.

To recover this deficit and bring the Central DSG back into balance, a task and finish group comprising various stakeholders has been exploring strategies to generate savings to be included in this plan. The focus of their work has been the High Needs Block.

£1.127m of the £1.368m overspend on Central DSG related to the High Needs Block of DSG where the total High Needs budget was £26.165m comprising a published High Needs Block DSG allocation of £25.768m plus the transfer of £0.397m from the Schools Block of DSG to the High Needs Block DSG as approved by Schools Forum. The main budget pressures related to top-up funding to mainstream settings (£0.270m), post 16 further education colleges (£0.488m) and independent special school placements (£0.175m).

The overspend on independent special school placements mirrors the national picture being reported by the f40 group of local authorities, concluding increasing demand for independent special school placements, and higher contributions from education towards joint social care placements signalling increasing complexity of children's needs. The overspend on Post 16 further education is also a national pressure. The Council has and will continue to experience significant expenditure growth in this area as a direct result of changes in legislation which has seen local authorities having significant new statutory duties for students with special educational needs up to the age of 25 years under the Childrens and Families Act (September 2014). As a result, Shropshire has seen a sharp increase in students with SEN requiring additional support in further education year on year. The local authority's SEN team work closely with local colleges to increase accessibility to education within mainstream colleges rather than more expensive independent specialist providers.

The outturn position for the Early Years Block of DSG is an overspend by £0.558m on a provisional budget of £15.565m. This overspend was identified once the Spring Term Nursery payments for two, three and four year olds had been processed. The main reason for this pressure is a large overspend in relation to the Early Years allocations for two, three and four year old nursery entitlement. The Council has experienced a higher take up of provision in this year than previously resulting in a greater draw on the funding. Across the course of the year there were more children taking up provision over the course of the year for whom the Council receives funding through the Early Years National Funding Formula. The Council will receive some compensation for this when the 2019/20 funding allocation is revised to take account of the January 2020 census figures. However, we will only receive 5/12ths of the full year funding for those additional children.

There are one-off budget monitoring pressures and savings on some Central DSG budget areas which partially offset the large overspends on the Early Years and High Needs Blocks of DSG to give the in-year deficit position of £1.367m.

CHILDREN'S SERVICES		Full Year			RAGY
		Budget £	Controllable Outturn £	Controllable Variance £	
Total		49,862,833	56,530,881	6,668,048	R
Children's Social Care and Safeguarding	Portfolio Holder Children's Services	30,463,983	35,160,958	4,696,975	R

Although there were no unachieved savings targets in Children's Social Care and Safeguarding in 2019/20 the service continued to experience ongoing budget pressures which reflects the national picture.

The largest budget pressure of £1.271m was caused by agency staffing costs in the social work teams. This pressure has continued from previous years. It is necessary to ensure that children who are looked after, on a Child Protection Plan or children in need of a plan are adequately supported in line with statutory timescales and this will dictate that sickness, maternity or temporary vacancy must be covered in the interim through agency staff. There is also a heavy reliance on agency social workers due to the number of social worker vacancies and the challenges in recruiting to vacant posts. The service remains focused on recruitment and retention with the identification of a dedicated HR worker to support with the timely recruitment of social workers. The recruitment campaign for children's services has been reviewed and updated and we are part of two graduate programmes for social work including Frontline and Step Up. The service has also recently appointed 8 social work apprentices. A retention payment has been made available to retain social workers in the teams that are hardest to recruit. This strategy in itself led to a further one-off budget pressure of £0.160m on staffing but this strategy should reduce costs over the longer term. There has been some success in recruiting to a number of social worker posts in the latest round of recruitment, however as a number of the new starters are inexperienced, agency workers will be required to stay in post for a limited time to support these new social workers until such time that they are able to take on full caseloads. Due to increasing caseloads as a result of increasing Looked-after-children (LAC) numbers in 2018-19 there are currently a number of additional capacity agency social workers who are not covering vacant posts but taking on additional caseloads or supporting ASYE's with their caseloads. It is estimated that £0.165m of the £1.271m overspend related to these additional capacity agency workers.

There is a highly complex financial position across Children's Placements in 2019/20. In the summer of 2018 a detailed Children's Placements growth modelling exercise was undertaken to understand the budget required for Children's placements for 2019/20 and ongoing taking account of a projected increase in Looked-after-children (LAC) numbers, contributions towards these placements from other partners and existing strategies to manage the budget pressures e.g. growth of internal residential homes. The result of this exercise was to build £2.294m expenditure growth into the Children's Placements budget for 2019/20 with this growth allocated across both residential and fostering placements as forecast in the growth modelling exercise. Due to this growth in budget there was a relatively small budget pressure of £0.782m on external residential placements and both internal and external fostering budgets. A commissioning and contracts manager was appointed earlier in the financial year to scrutinise high cost residential placements with private providers where the Council is incurring additional costs relating to the child, which may include 1:1 or 2:1 levels of care, therapeutic intervention and education provision. By providing monitoring of these placements to provide assurance of value for money and challenge as to whether the increased levels of support often provided at a start of a placement could be reduced, this post has successfully managed to generate in-year savings of £0.109m therefore reducing the overall budget pressure as well as covering its own cost.

At the end of the 2018/19 financial year, the Council embarked on a strategy to develop additional in-house internal residential provision. There has been capital investment of £0.710m to acquire 3 properties with the aim that these 3 children's homes will deliver revenue savings through supporting a few of the children in our highest cost placements at a lower cost than the market rate. One home has opened in February and is operational while the second home is anticipated to open once Ofsted have undertaken their inspection and assessment. This process has been delayed due to Covid-19. For this second home, some residential care staff have been recruited and have started their roles in advance of the opening in order to undertake the necessary training. This home was planned to open in April but this has been delayed due to the impact of Covid-19. A third property has been purchased but no staff have been appointed for this home. In the meantime, there was an overspend of £0.524m from the work required in this interim period, however this is being categorised as a one-off pressure as the homes should generate savings on external placements once fully operational.

Children's Safeguarding are committed to increasing foster placement sufficiency so that the Council can care for more looked after children within a family environment. This is not only in the best interests of the majority of

looked after children but will lead to significant financial savings. The aim is to increase the pool of foster carers and look to identify and support foster carers with looking after more complex children. This will reduce demand for expensive residential provision. An ongoing monitoring pressure of £0.271m relates to increased capacity built into the Children's Placement Service to enable the recruitment of more carers and retain and support current carers. A business case was approved to permit this.

Elsewhere, there was also an ongoing budget monitoring pressure of £0.297m being reported in the Adoption Service. This relates specifically to Special Guardianship Allowances. No growth was built into the budget for 2019/20, however we have continued to see an increase in Special Guardianship Orders issued. These are less costly options than residential or fostering placements and give a child more permanence than a regular fostering arrangement. The increase in SGOs mirrors the national trend where there has been a steep increase in the number of SGOs over the past 8 years. Significant expenditure growth has been built into 2020/21 budget to address this pressure.

There was a budget pressure of £0.125m against the Leaving Care Team. Following changes in statutory guidance that mean that; Personal Advisors are now required to offer support to all care leavers up until the age of 25 years (an increase from the previous age of 21 years), this means that young people will be remaining in the service for longer increasing capacity issues within the team. As a result of this and recommendations from a Department for Education National Advisor on Care Leavers and a "requires improvement" Ofsted judgement, a number of strategies have been put in place to address this. One such strategy that was agreed via a business case was to increase the number of Personal Advisors in the team and to enhance the offer available to care leavers. Expenditure growth has been built into 2020/21 budget to address this pressure.

There was a one-off pressure of £0.347m in the Disabled Children's Team. The majority of this relates to an increase in Disabled Children's Team Direct Payments and prevention and support payments. This is being categorised as one-off rather than ongoing as some of this increased expenditure will be a direct consequence of the temporary closure of the Council's commissioned overnight short breaks provision.

The bad debt provision for the service area has been increased by £0.343m in 2019/20 following a detailed review of the service's aged debt and the likelihood of this being recovered. This has led to not only a £0.343m overspend being reported but an increase of £0.343m compared to the position previously reported due to the timing of this decision.

The remaining £0.576m forecast overspend relates to one-off monitoring pressures on non-staffing budgets such as barrister fees, transport recharges and interpreting fees across several social work teams.

Early Help, Partnerships and Commissioning	Portfolio Holder Children's Services	2,024,260	1,789,211	(235,049)	Y
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One-off monitoring savings have been achieved in various teams within the Early Help budget area. £0.156m of the overall underspend of £0.235m relates to Family Hubs where a combination of underspends against premises related budgets for the 6 new Family Hubs and in year vacancy management has delivered one-off savings.

An underspend totalling £0.053m relates to the Early Help Commissioned Services budget and specifically the early achievement of a 2020/21 savings target.

An underspend of £0.016m is reported against the Local Youth Commissioning budgets. On 22nd January 2020, Cabinet approved to cease the current commissioning model and agree a new model of Targeted Youth Support which will be managed in-house as part of Shropshire's Early Help provision. On the basis that this new delivery model will require additional investment to reduce the demand in Children's Social Care it is considered that this underspend will not continue.

The remaining £0.010m underspend was one-offs against a range of Early Help teams including Parenting, Specific Needs Clubs and the Family Information Service.

Children's Services Management	Portfolio Holder Children's Services	334,860	352,361	17,501	G
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Minor variation from budget at outturn

Learning and Skills	Deputy Portfolio Holder Education	17,039,730	19,228,350	2,188,620	R
<p>The final outturn position reflects unachieved savings within Home to School Transport where the 2019/20 savings target was £0.717m. On 22 May 2019, a paper was presented to Cabinet on the discretionary areas of School and College Transport comprising: nursery SEND pupil transport, SEND post 16 students and post 16 mainstream students. This paper followed an extensive seven week consultation process and recommended a number of revised policy changes to these discretionary areas to deliver savings taking account of concerns raised by parents and carers within the consultation process. The revised recommendations that were approved by Cabinet will deliver £0.110m of the original £0.203m proposed savings that were consulted on.</p>					
<p>To address the remaining £0.607m savings target the Passenger Transport team will continue to develop other innovative savings strategies such as Personal Transport Budgets, Independent Travel Training, and reducing costs in areas such as single occupancy taxis, TMBSS and Exclusion Transport. Some of these strategies were implemented from the start of the new academic year, however work is ongoing to determine the value of savings that have been achieved in 2019/20.</p>					
<p>The overall overspend in Home to School Transport was £2.091m. This means there were budget pressures of £1.374m in addition to the unachieved savings. Comparing the total expenditure to 2018/19 shows an increase in expenditure of £0.685m in 2019/20. £0.351m of this increase relates to Special Education Needs transport, an increase of 7.6%. In addition to the established trend of an increase in SEN passenger numbers, the service has also experienced an increase in the complexity of the needs of the children that are being transported which has had the effect of increasing unit costs per passenger. The introduction of a new Post-19 policy as approved by Cabinet, imposing a duty on the Council to make transport arrangements for adult learners aged 19 and over attending educational institutions has also increased expenditure in this area. Significant expenditure growth has been built into the budget for 2020/21 to deal with this shortfall in budget.</p>					
<p>The remaining £0.334m increase relates to mainstream transport costs and the costs of running the schools fleet.</p>					
<p>Learning and Skills' financial position has suffered from reductions in Central Government grants, specifically the loss of Dedicated Schools Grant funding. This was a direct result of a baselining exercise undertaken by the Department for Education to remove any Dedicated Schools Grant funding that did not meet strict criteria that constitutes a historic spending commitment, but that fund statutory functions that the Council is required to undertake. The pressure which has continued from 2018/19 was £0.194m. Growth has been built into the budget for 2020/21 to deal with this shortfall in budget.</p>					
<p>There was a £0.048m overspend in Governor Services. A redesign of Governor Services was implemented and the consequence of this has been a reduction in the size of the team with the Casual Governor Services Clerks ceasing to be employed by the Council from 1st April 2019, now employed directly by schools/MATs. The revised model of a Governor advisory service did not deliver the level of buyback income from schools to cover its costs causing the overspend. A £0.056m overspend relates to one-off costs incurred in supporting the implementation of a new Education Management System from April 2021. There have also been net overspends totalling £0.043m across a number of service areas.</p>					
<p>The cost pressures above were partially offset by a £0.243m one-off underspend on the Council's schools redundancy budget. This budget funds redundancy and pension strain costs for schools' teaching and non-teaching staff where it has been assessed that the Council should fund these costs rather than the school directly. There have been a much smaller number of redundancies funded in this financial year compared to previous years. This is partly explained by a reducing number of maintained schools. It is noteworthy that maintained schools do contribute to this overall budget through a top-slice approved by Schools Forum and decrease in expenditure in 2019/20 will lead to a smaller contribution from schools in the 2020/21 financial year.</p>					

CORPORATE BUDGETS	Full Year			RAGY
	Budget £	Controllable Outturn £	Controllable Variance £	
Total	(5,235,570)	16,725,347	(11,489,777)	Y

Corporate Budgets	Portfolio Holder Finance and Corporate Support	(5,235,570)	(16,725,347)	(11,489,777)	Y
<p>Savings have been confirmed in year from MRP of (£0.621m), and savings of (£0.800m) against the expected interest receivable and payable budgets. An early review of funds held for corporate inflation identified a one-off in year saving of (£0.685m).</p> <p>Savings of (£0.107m) were achieved relating to reduced expenditure on staffing and subscriptions, (£0.086m) was achieved from savings realised on PFI contracts, (£0.050m) was achieved against external audit expenditure, and an underspend was achieved against non-distributable costs of (£0.087m). There was an overspend relating to a reduction in profit share from WME £0.086m.</p> <p>One-off corporate funding from MRP, s31 grant and Pension Fund advance payments totalling (£5.170m) was applied to the Quarter 2 position to offset pressures arising in Adults and Children's Services. A further (£1.000m) s31 grant was applied at Quarter 3. The availability of Corporate funds to address any future issues arising is now extremely limited. A final review of MRP budgets at period 11 confirmed uncommitted budget of (£1.682m). At year end additional grant allocations were received and applied totalling (£0.401m), and additional s31 grant was applied of (£0.885m).</p>					
Business Continuity - Covid 19	Portfolio Holder Finance and Corporate Support	-	-	-	G
No variation from budget at outturn.					

FINANCE, GOVERNANCE & ASSURANCE	Full Year			RAGY
	Budget £	Controllable Outturn £	Controllable Variance £	
Total	2,828,070	2,280,326	(547,744)	Y

Audit Services	Portfolio Holder Finance and Corporate Support	(4,450)	(84,315)	(79,865)	Y
Underspends within staffing budgets totalled (£0.057m) whilst there was an overachievement of external income of (£0.030m) against the budget.					
Finance	Portfolio Holder Finance and Corporate Support	109,990	122,366	12,376	G
Minor variation from budget at outturn.					
Pension Administration Services	Portfolio Holder Finance and Corporate Support	53,720	57,928	4,208	G
Minor variation from budget at outturn.					
Revenues and Benefits	Portfolio Holder Finance and Corporate Support	2,142,310	2,024,004	(118,306)	Y

The housing benefit subsidy saw an overspend of £0.573m. This reflects a position which has worsened over the last few years. Actions to halt this trend include addressing the growing level of homelessness in the county and reducing the reliance on bed and breakfast accommodation. However, for this financial year a number of one-off savings mitigated this overspend and ensured an underspend overall across the service area. Vacancy management created an underspend of (£0.240m) and an adjustment to the bad debt provision created unbudgeted income totalling (£0.172m). One off savings in IT and software costs saved a further (£0.142m) whilst grant income was (£0.109m) above budget.

Treasury Services	Portfolio Holder Finance and Corporate Support	3,510	(51,359)	(54,869)	Y
An income overachievement created a (£0.033m) saving, whilst savings in expenditure budgets provided a further (£0.022m) underspend.					
Commissioning Development and Procurement	Deputy Portfolio Holder Procurement	483,740	203,704	(280,036)	Y
A new income stream has been identified by the Commissioning Development and Procurement team, and this created (£0.250m) of unbudgeted income in the 2019-20 financial year. This income has been budgeted for in the 2020-21 budget and has helped achieve corporate savings targets whilst retaining some flexibility for the service area.					
Risk Management and Insurance	Portfolio Holder Finance and Corporate Support	39,250	7,997	(31,253)	Y
Small savings across controllable budgets in the Risk Management and Insurance and Emergency Planning budgets generated this small one-off underspend.					

LEGAL AND DEMOCRATIC SERVICES	Full Year			RAGY
	Budget £	Controllable Outturn £	Controllable Variance £	
Total	505,730	380,318	(125,412)	Y

Democratic Services	Portfolio Holder Finance and Corporate Support	320	(138,752)	(139,072)	Y
There have been in year efficiencies relating to vacancy management (£0.016m), efficiencies across supplies and services (£0.020m) and additional income generation of (£0.028m) across Committee Services. Further in year savings have been identified within Member Services of (£0.075m) relating to training, supplies and services, and allowances.					
Elections	Portfolio Holder Finance and Corporate Support	497,050	313,593	(183,457)	Y
Application of the IER/JLB grant at year end of (£0.121m) and income relating to Elections Services has contributed (£0.050m) towards the overall underspend for the service.					
Legal Services	Portfolio Holder Finance and Corporate Support	8,360	205,477	197,117	R
The budget pressure within Legal Services in relation to increased support costs within the child care service has resulted in additional staffing resources being required to include both employed and locum staffing of £0.188m and increased legal disbursement costs of £0.102m. These increased costs have been offset in part by additional income of (£0.043m), and savings due to the spending freeze of (£0.050m).					

PLACE		Full Year			RAGY
		Budget £	Controllable Outturn £	Controllable Variance £	
Total		57,655,110	63,911,265	6,256,155	R
Head of Commercial Services	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	143,490	207,655	64,165	A
An unallocated savings target of £0.050m remained unachieved at year end. This will carry into the 2020/21 budget and will be tackled commercially.					
Corporate Landlord	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	1,458,710	2,236,180	777,470	R
<p>Following the decision to pause the Shirehall redevelopment project, previously incurred costs totalling £0.381m were charged to revenue. Repairs and maintenance of the estate remains a huge challenge; this budget was overspent by £1.032m, although this was offset by a reserve drawdown totalling (£0.966m); a one-off mitigation for this financial year.</p> <p>Mardol House and The Tannery outturned at £0.120m over budget, primarily due to income shortfall on unfilled rooms, and retail space being unable to be let out during the construction of the adjacent medical practice. The level of occupancy in the student rooms was maximised prior to Covid-19 with the majority of rooms being filled.</p> <p>Smallholdings were £0.081m over budget. It is anticipated that this is a one-off overspend following progression of a number of urgent maintenance issues.</p> <p>The council's admin buildings outturned at £0.110m over budget. Despite savings being realised in building efficiencies, a loss of income was suffered, in particular by the courts relocating from Shirehall.</p> <p>Gypsy and Traveller sites outturned £0.061m over budget. There were water leaks at a number of the sites which have now been rectified.</p>					
Facilities Management	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	26,730	80,793	54,063	A
A £0.055m savings target was only partially achieved in 2019-20. £0.026m was unachieved and will be carried forward into 2020-21. The remaining £0.028m overspend related to increased staffing costs in the form of casual staff and overtime, as a means of meeting operational demands.					
Property Services Group	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	(35,380)	405,714	441,094	R
£0.436m of the over-spend related to an income shortfall. A significant portion of this shortfall was professional fees at completion that will be processed in 2020/21. As a result of this, the service area is in position to deliver an improved outturn for 2020/21, although factors such as projects slipping or being halted will always be a risk.					
Strategic Asset Management	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	201,090	522,932	321,842	R
A savings target totalling £0.100m relating to improving energy efficiency and savings on energy costs was unachieved in 2019/20. Although a number of projects have been progressed that have both environmental and financial benefits, the initial investment offsets the financial savings until payback can be realised. The staffing budget was overspent by £0.131m, as the service area bought in additional resource to add resilience to a number of key areas. This included short-term agency staff and consultants and so whilst a pressure remains for 2020/21, it will be reduced. A number of unbudgeted items of expenditure were also incurred, including surveys, contractor works, PV maintenance and office reconfigurations, all of which contributed to the overspend.					

Shire Services	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	204,550	204,550	0	G
Minor variation from budget at outturn.					
Director of Place	Portfolio Holder Communities, Place Planning and Regulatory Services	(443,390)	810,518	1,253,908	R
The savings target relating to the creation of the Housing Company is within this area and has been fully unachievable in this financial year (£1.025m). Expenditure relating to the setting up of Shropshire Council's Housing Company, Cornovii, up to the point that the company was formed constitutes part of the overspend. The remainder of the overspend relates to unachievable savings targets, some of which is in relation to contract negotiation.					
Head of Economic Growth	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	218,910	220,368	1,458	G
Minor variation from budget at outturn.					
Planning Services	Portfolio Holder Communities, Place Planning and Regulatory Services	1,573,850	1,760,050	186,200	R
There have been a large number of Building Control enforcement cases requiring officer time to investigate, resulting in additional costs of the Council funded element of this service. In addition, the number of land charges/searches has been lower than at its peak a couple of years ago, resulting in reduced income of £0.070m. These additional costs are slightly reduced by additional net income within Development Management.					
Economic Growth	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	1,192,720	1,060,017	(132,703)	Y
There have been two vacant posts (Project Manager and Project & Sector Development Officer) which have generated a saving on employee costs. In addition, there has been income and use of reserves on specific project activity.					
Broadband	Deputy Portfolio Holder Broadband	191,650	162,477	(29,173)	Y
Additional use of reserves to reduce net expenditure.					
Planning Policy	Portfolio Holder Housing and Strategic Planning	717,490	543,433	(174,057)	Y
As part of the Community Infrastructure Levy (CIL) receipts from developments, up to 5% can be applied to cover revenue costs. In the 2019/20 reconciliation, we were able to demonstrate eligible costs in excess of those anticipated, enabling (previously unused) admin funding to be applied in year, resulting in the net reduction in service cost.					
Shrewsbury Shopping Centres	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	(1,859,480)	1,425,205	434,275	R
As changes in the retail sector continue, the shopping centres have been subject to changing lease renewal negotiations. Pressures on the budget have continued all year creating a reduced rental income that totals £0.609m that has been partially offset by a reduction in support service, rates and service charge liabilities of (£0.175m).					
Arts	Portfolio Holder Culture, Leisure, Waste and Communications	70,910	68,662	(2,248)	Y
Minor variation from budget at outturn.					

Highways and Transport	Portfolio Holder Highways and Car Parking	16,220,990	18,461,904	2,240,914	R
<p>There are a number of large variances across the service:- an overspend in Winter Maintenance (including some storm related expenditure) of £0.165m, an overspend relating to Street Lighting energy of £0.140m and additional highway maintenance expenditure to address potholes and other road defects. In addition, following consultation on the savings proposals around subsidies for Public Transport and Concessionary Fares, the initial savings were not implemented, (however, any efficiencies have, and continue to be, maximised). In addition there was a significant increase in the cost of subsidised bus routes as passenger numbers dropped significantly during March. The Grey Fleet scheme (the introduction of the Enterprise Car Club to reduce expenditure on mileage reimbursements within service areas) was operational, however, the savings were realised in other service areas, and hence the saving “benefit” has not been reflected back into this budget. In addition, the new parking strategy was implemented in phases from November 2018. Whilst the strategy has been successful in terms of influencing parking behaviour and reducing volumes within the town centre, it has impacted the net income from parking, with net receipts £0.820m lower than anticipated. This includes a reduction in parking income as Storm Dennis and Storm Ciara took effect in February leaving main revenue generating car parks flooded and repairs needed. These additional costs are somewhat offset by additional income generated by the Streetworks team and the application of the Covid-19 grant to offset further lost income throughout the lockdown period in March.</p>					
Shropshire Hills AONB	Portfolio Holder Culture, Leisure, Waste and Communications	63,110	44,373	(18,737)	Y
Minor variation from budget at outturn.					
Outdoor Partnerships	Portfolio Holder Culture, Leisure, Waste and Communications	1,010,980	1,033,749	22,769	G
Minor variation from budget at outturn.					
Leisure	Portfolio Holder Culture, Leisure, Waste and Communications	1,989,560	2,261,293	271,733	R
<p>A consultant was brought at the beginning of the financial year to review Leisure Services and advise on the future operation of facilities. A decision was made to bring two facilities back in-house on 1st April 2020 which required additional resilience across the service, including IT infrastructure and system upgrades. Additional staffing requirements and a reduction in income at our in-house facilities have led to further pressures on the budget. Additional financial support was provided to a contracted leisure facility in order to try to improve sustainability.</p>					
Libraries	Portfolio Holder Culture, Leisure, Waste and Communications	3,380,400	3,490,205	109,805	R
<p>An unachievable savings target of £0.098m makes up the majority of the overspend, as well as some variances against libraries where the Council received contributions from other organisations, and also additional vehicle maintenance costs incurred by the mobile libraries. This has been partly offset by reduced expenditure on library materials as a result of the spending freeze being implemented earlier in the financial year.</p>					
Museums and Archives	Portfolio Holder Culture, Leisure, Waste and Communications	1,401,420	1,363,477	(37,943)	Y
<p>The underspend mostly relates to vacancy management and also income targets exceeding expectations across some facilities. The loss of income at facilities throughout the lockdown period has been alleviated with the application of the Covid-19 grant.</p>					
Theatre Services	Portfolio Holder Culture, Leisure, Waste and Communications	13,470	72,991	59,521	A
<p>The loss of income relating to the current lockdown period has been alleviated somewhat through application of the Covid-19 grant. The largest budgetary pressure relates to increased costs of production expenses.</p>					
Waste Management	Portfolio Holder Culture, Leisure, Waste and Communications	28,962,900	29,564,836	601,936	R

It was intended that £1.500m savings would be made in Waste Management in 2019/20 through a review of waste collection and recycling services. Of this figure, £0.800m has been achieved through removing bring bank facilities and removing surplus landfill budget, as the annual volume of waste sent to landfill is significantly below the contracted level. The remaining £0.700m savings target will not be achieved and has been removed at 2020/21 budget setting due to Members decision not to implement green waste savings. In year, the budget pressure caused by the unachieved saving has been offset by the low tonnage of waste sent to landfill this year and by increased income generated from third party use of the Energy Recovery Facility.

Head of Infrastructure and Communities	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	169,920	345,028	175,108	R
The pressure in this area relates to management changes.					
Commercial Investment Team	Deputy Leader and Portfolio Holder Assets, Economic Growth and Regeneration	649,010	121,678	(527,332)	Y
2019/20 was the first year of a dedicated and budgeted Commercial Investment team and hence no savings target had been attributed. The underspend relates to staffing savings following the period of time establishing the team. A number of individuals have now been appointed, and a savings target of (£0.500m) has been budgeted for in 2020/21.					
Head of Culture, Leisure & Tourism	Portfolio Holder Culture, Leisure, Waste and Communications	131,500	293,588	162,088	R
Some of the overspend is offset by an underspend in Outdoor Partnerships in relation to a vacant post. £0.100m of the overspend represents an unachievable saving target relating to moving the Council's heritage assets into a trust model. A project board was set up to discuss the options for this but the required saving remained unachievable. Costs relating to a new appointment of Head of Culture, Leisure & Tourism are also shown here.					

STRATEGIC MANAGEMENT BOARD		Full Year			RAGY
		Budget £	Controllable Outturn £	Controllable Variance £	
Total		(14,230)	(106,728)	(92,498)	Y
Strategic Management Board	Leader and Portfolio Holder Strategy	(14,230)	(106,728)	(92,498)	Y
Savings of (£0.086m) have been delivered from planned vacancy management within the PA team. Additional small savings have been delivered on a one-off basis across subscriptions, supplies and services and as a result of the spending freeze.					

WORKFORCE AND TRANSFORMATION		Full Year			RAGY
		Budget £	Controllable Outturn £	Controllable Variance £	
Total		413,887	413,719	(168)	Y
Customer Services	Portfolio Holder Finance and Corporate Support	448,200	105,828	(342,372)	Y
In year savings have been delivered in relation to vacancy management and contract savings of (£0.95m). A total one-off saving of (£0.247m) has been delivered from supplies and services budgets and from additional income.					

ICT Digital Transformation Project	Portfolio Holder Organisational Transformation and Digital Infrastructure	(441,920)	1,082,229	1,524,149	R
Savings targets relating to the “single front door” and the wider Digital Transformation Programme of £1.490m have not yet been achieved. Work is ongoing to identify and confirm how these savings will be delivered.					
ICT Services	Portfolio Holder Organisational Transformation and Digital Infrastructure	521,810	(132,151)	(653,961)	Y
In year savings were achieved relating to planned vacancy management of (£0.0293m). A complete review of contracts and income was undertaken, and one-off savings were identified of (£0.220m). Additionally, at year end savings of (£0.210m) have been generated from telecoms and from schools income. These savings will be made on an ongoing basis and are included in Financial Strategy savings in future years.					
Communications	Portfolio Holder Culture, Leisure, Waste and Communications	(8,290)	(61,901)	(53,611)	Y
In year savings have been achieved in relation to vacancy management of (£0.054m).					
Information, Intelligence and Insight	Portfolio Holder Organisational Transformation and Digital Infrastructure	55,807	(96,049)	(151,856)	Y
Vacancy management savings across Information Governance and Intelligence & Insight Team total (£0.106m), while the spending freeze across both teams has realised (£0.046m).					
Human Resources and Organisational Development	Portfolio Holder Finance and Corporate Support	(161,720)	(484,238)	(322,518)	Y
Savings relating to the in-year spending freeze were achieved of (£0.042m) against supplies and services, and a further (£0.095m) relating to vacancy management was delivered. Additional income of (£0.122m) across Human Resources & Development was generated from commercial activity. At year end, savings of (£0.045m) were confirmed in relation to systems support and maintenance costs.					

Appendix 2**Housing Revenue Account 2019/20**

As at March 2020	Original Estimate £	Outturn £	Variance Adverse/ (Favourable) £
<u>Income</u>			
Dwellings Rent	(16,945,000)	(17,360,717)	(415,717)
Garage Rent	(122,030)	(122,816)	(786)
Other Income	(17,000)	(226,574)	(209,574)
Charges for Services	(607,190)	(864,812)	(257,622)
Total Income	(17,691,220)	(18,574,919)	(883,699)
<u>Expenditure</u>			
ALMO Management Fee	8,268,230	8,268,230	0
Supplies and Services	538,310	833,592	295,282
Capital Charges - Dwelling Depreciation	3,770,150	3,780,100	9,950
Capital Charges - Depreciation Other	169,960	172,990	3,030
Interest Paid	2,991,960	2,989,760	(2,200)
Repairs charged to revenue	500,000	446,410	(53,590)
Revenue Financing Capital Expenditure	4,898,160	1,668,060	(3,230,100)
New development feasibility	150,000	41,810	(108,190)
Increase in Bad Debt Provision	50,000	50,000	0
Corporate & Democratic Core	163,960	173,630	9,670
Total Expenditure	21,500,730	18,424,582	(3,076,148)
Net Cost of Services	3,809,510	(150,337)	(3,959,847)
Interest Received	(30,000)	(176,490)	(146,490)
Net Operating Expenditure	3,779,510	(326,827)	(4,106,337)
Net Cost of Service/(Surplus) for Year	3,779,510	(326,827)	(4,106,337)
<u>HRA Reserve</u>			
B/fwd 1 April	9,813,486	9,813,486	
Surplus/(Deficit) for year	(3,779,510)	326,827	
Carried Forward 31 March	6,033,976	10,140,313	

Earmarked Reserves for the HRA

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2019/20 (£'000)	Income in 2019/20 (£'000)	Balance Carried Forward (£'000)
HRA Earmarked Reserves					
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	4,240	(3,700)	3,953	4,492
Total		4,240	(3,700)	3,953	4,492

Appendix 3**Amendments to Original Budget 2019/20**

£000	Total	Adult Services	Children's Services	Corporate Budgets	Finance, Governance and Assurance	Legal and Democratic Services	Place	Strategic Management Board	Workforce and Transformation
Original Budget as Agreed by Council	213,839	107,679	49,643	(3,894)	2,062	498	57,860	0	(10)
Quarter 1									
Correction of salary budgets as a result of review of Grades 1-8 and SPB salary scales	0	157	31	(403)	56	8	111	5	34
Transfer of Youth Commissioning budget from Place to Children's Services	0		197				(197)		
Movement of premises budgets between service areas and Corporate Landlord	0		(25)				25		
Allocation of contract management savings across the Council	0	(143)	(46)		284		(64)		(30)
Final allocation of 2018/19 voluntary redundancy savings, according to where they have been achieved	0	(31)			(8)		(76)		115
Q1 Revised Budget	213,839	107,661	49,800	(4,297)	2,393	506	57,660	6	110
Quarter 2									
Corporate budget reallocation to offset savings	0			(598)	522				76
Transfer of Shrewsbury Town Council contract costs to appropriate directorates	0	30		(200)			170		
Creation of ERP systems team	0				(135)				135
Movement of premises budgets between service areas and Corporate Landlord	0	55	(75)				20		
Transfer of subscription budgets	0						20	(20)	
Adjustment re SPB salary scale review	0		10	(10)					
Q2 Revised Budget	213,839	107,747	49,735	(5,105)	2,780	506	57,870	(14)	321
Quarter 3									
Realignment of Better Care Fund grant following CCG agreement	0	(105)	105						
Q3 Revised Budget	213,839	107,641	49,839	(5,105)	2,780	506	57,870	(14)	321
Quarter 4									
Corporate budget reallocation to offset historic unachieved saving				(116)					116
Final adjustment re SPB salary scale review		14		(14)					
Transfer of ALMO Governance budget from Adult Services to Place		(50)					50		
Reallocation of ring-fenced Public Health grant		217			48		(265)		
Transfer of post			23						(23)
Q4 Revised Budget	213,839	107,823	49,863	5,235	2,828	506	57,655	14	414

Appendix 4**Reserves and Provisions 2019/20**

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2019/20 (£'000)	Income in 2019/20 (£'000)	Balance Carried Forward (£'000)
Reserves						
Sums set aside for major schemes, such as capital developments, or to fund major reorganisation						
Redundancy	Required to meet one-off costs arising from approved staffing reductions, allowing the full approved savings in salaries or wages to reach the revenue account.	0	12	(12)	0	0
Revenue Commitments for Future Capital Expenditure	Comprises of underspends against budgeted revenue contributions available for capital schemes. The underspends have arisen due to slippage in capital schemes or because other funding streams were utilised during the year so as to maximise time limited grants.	3,539	(99)	(581)	2,434	5,293
Development Reserve	Required to fund development projects or training that will deliver efficiency savings.	9,886	(12)	(3,231)	600	7,243
Invest to save Reserve	Required to fund invest to save projects in order to deliver the service transformation programme.	3,983	0	(440)	47	3,590
		17,408	(99)	(4,265)	3,082	16,126
Insurance Reserves						
Fire Liability	Required to meet the cost of excesses on all council properties.	2,832	0	(278)	0	2,553
Motor Insurance	An internally operated self-insurance reserve to meet costs not covered by the Council's Motor Insurance Policy.	1,111	0	0	100	1,211
		3,942	0	(278)	100	3,764
Reserves of trading and business units						
Shire Catering and Cleaning Efficiency	Built up from trading surpluses to invest in new initiatives, to meet exceptional unbudgeted costs or cover any trading deficits.	478	0	(536)	57	0

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2019/20 (£'000)	Income in 2019/20 (£'000)	Balance Carried Forward (£'000)
		478	0	(536)	57	0
Reserves retained for service departmental use						
Building Control	Required to manage the position regarding building control charges.	299	0	0	129	428
Care Act & IBCF Reserve	Required to fund the costs of implementing the Care Act requirements within the Council. This will be committed to the costs of one off posts required to implement the changes and training costs for staff within Adult Services. Plus unspent 17/18 IBCF monies required to fund the IBCF programme in future years.	4,827	0	(2,953)	95	1,969
Economic Development Workshops Major Maintenance	Established to meet the costs of major maintenance of Economic Development Workshops.	149	0	0	0	149
External Fund Reserve	Reserves held where the Council is the administering body for trust funds or partnership working.	1,399	0	(209)	595	1,785
Financial Strategy Reserve	Established specifically to provide one off funding for savings proposals in the Financial Strategy	20,867	0	(3,464)	3,399	20,802
Savings Management - Highways	Established specifically to provide one off funding for highways savings proposals in the Financial Strategy	7,098	0	(5,191)	0	1,907
Highways Development & Innovation Fund	Set aside funds for pump priming the Development and Innovation programme.	385	0	(26)	360	719
New Homes Bonus	Established from unapplied New Homes Bonus Grant balances.	2,608	0	(8,107)	7,754	2,254
Public Health Reserve	This reserve includes balances committed to specific public health projects.	255	0	(167)	0	88
Repairs & Maintenance Reserve	Set aside for known repairs and maintenance required to Council owned properties.	966	0	(966)	0	0

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2019/20 (£'000)	Income in 2019/20 (£'000)	Balance Carried Forward (£'000)
Resources Efficiency	Established for investment in new developments, particularly information technology, that service area would not be expected to meet from their internal service level agreements for support services.	452	0	(209)	101	344
Revenue Commitments from Unringfenced Revenue Grants	Established from unapplied unringfenced Grant balances. Commitments have been made against these balances in 2019/20.	942	99	(592)	9,986	10,434
Severe Weather	Required to meet unbudgeted costs arising from the damage caused by severe weather. The policy of the Council is to budget for an average year's expenditure in the revenue accounts and transfer any underspend to the reserve or fund any overspend from the reserve.	2,924	0	(65)	0	2,859
TMO Vehicle Replacement	Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.	300	0	(130)	0	170
		43,471	99	(22,080)	22,419	43,909
School Balances						
Balances held by schools under a scheme of delegation	Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion.	4,179	0	(5,997)	3,709	1,891
Education – Staff Sickness Insurance	Schools' self-help insurance for staff sickness with premiums met from delegated budgets.	18	0	(18)	0	0
Education – Theft Insurance	Schools' self-help insurance scheme to cover equipment damage and losses.	65	0	(63)	0	2
Schools Building Maintenance Insurance	The schools building maintenance insurance scheme is a service provided by Property Services for schools. In return for an annual sum all structural repairs and maintenance responsibilities previously identified as the "authority's responsibility" are carried out at no additional charge to the school.	2,164	0	0	137	2,301
		6,427	0	(6,078)	3,846	4,194
Total Reserves		71,726	0	(33,237)	29,504	67,993

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2019/20 (£'000)	Income in 2019/20 (£'000)	Balance Carried Forward (£'000)
Provisions						
Provisions - Short Term						
Accumulated Absences Account	Provision to cover potential future payments of employee benefits not taken as at the end of the year. This is required under IFRS accounting regulations.	1,887	0	(1,887)	2,328	2,328
Other Provisions - Short Term	Includes a number of small provisions including Environmental Maintenance contract commitments and Shopping Centre rental payments	280	0	(248)	1,028	1,060
Provisions - Long Term						
Other Provisions - Long Term	Includes a number of small provisions including S106 Accrued Interest, profit share agreements and Shopping Centre rental payments.	300	0	(3)	0	297
Liability Insurance	Provision to meet the estimated actuarial valuation of claims for public liability and employers' liability	4,002		(23)	234	4,213
NDR Appeals	Represents the Council's share of the provision held for successful appeals against business rates.	5,775	0	(3,662)	4,275	6,389
Council Tax Bad Debt	Held for potential write offs of Council tax debtor balances.	5,184	0	(128)	1,000	6,056
NNDR Bad Debt	Held for potential write offs of NNDR debtor balances.	983	0	(205)	390	1,168
Tenancy Deposit Clawbacks	This represents deposits held for the economic development workshops that may be repaid at some point in the future.	166		(13)	26	179
General Fund Bad Debts	Held for potential write offs of debtor balances for General Fund Services including Housing Benefits.	5,700	0	(530)	795	5,965
HRA Bad Debts	Held for potential write offs of debtor balances for Housing Revenue Account rents and other debtor balances.	393		(52)	50	391
Total Provisions		24,670	0	(6,750)	10,126	28,047
Total Reserves & Provisions		96,396	0	(39,986)	39,630	96,040

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2019/20 (£'000)	Income in 2019/20 (£'000)	Balance Carried Forward (£'000)
HRA Earmarked Reserves						
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	4,240	0	(3,700)	3,953	4,492
		4,240	0	(3,700)	3,953	4,492

Shropshire Council - Capital Programme 2019/20- 2022/23**APPENDIX 5****Capital Programme Summary - Quarter 4 2019/20**

Directorate	Revised Budget Q3 19/20 £	Budget Virements Q4 £	Revised Budget Q4 19/20 £	Actual Spend 31/03/20 £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2020/21 Revised Budget £	2021/22 Revised Budget £	2022/23 Revised Budget £
General Fund											
Place	36,682,041	8,044,457	44,726,498	39,043,092	5,683,406	87%	44,726,498	5,683,406	74,232,860	56,934,566	75,709,635
Adult Services	4,040,073	-	4,040,073	3,089,165	950,908	76%	4,040,073	950,908	8,237,606	3,200,000	3,200,000
Public Health	88,636	-	88,636	81,509	7,127	92%	88,636	7,127	267,127	-	-
Children's Services	8,247,251	708,145	8,955,396	6,869,768	2,085,628	77%	8,955,396	2,085,628	17,869,859	11,000,000	5,500,000
Resources & Support	4,131,578	1,020,224	5,151,802	4,156,901	994,901	81%	5,151,802	994,901	2,394,901	-	-
Total General Fund	53,189,579	9,772,826	62,962,405	53,240,435	9,721,970	85%	62,962,405	9,721,970	103,002,353	71,134,566	84,409,635
Housing Revenue Account	8,082,362	(62,887)	8,019,475	5,968,912	2,050,563	74%	8,019,475	2,050,563	24,306,173	18,700,000	18,700,000
Total Approved Budget	61,271,941	9,709,939	70,981,880	59,209,347	11,772,533	83%	70,981,880	11,772,533	127,308,526	89,834,566	103,109,635

Potfolio Holder	Revised Budget Q3 19/20 £	Budget Virements Q4 £	Revised Budget Q4 19/20 £	Actual Spend 31/03/20	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2020/21 Revised Budget £	2021/22 Revised Budget £	2022/23 Revised Budget £
General Fund											
Adult Social Services & Climate Change - Dean Carroll	4,040,073	-	4,040,073	3,089,165	950,908	76%	4,040,073	950,908	8,237,606	3,200,000	3,200,000
Assets, Economic Growth & Regeneration - Steve Charmley	14,686,072	3,484,617	18,170,689	15,421,996	2,748,693	85%	18,170,689	2,748,693	44,462,960	20,000,000	20,000,000
Children's Services - Ed Potter	8,247,251	712,772	8,960,023	6,869,768	2,090,255	77%	8,960,023	2,090,255	17,869,859	11,000,000	5,500,000
Communities, Place Planning & Regulatory Services - Gwilym Butler	88,636	-	88,636	81,509	7,127	92%	88,636	7,127	267,127	-	-
Culture, Leisure, Waste & Communications - Lezley Picton	808,268	8,614	816,882	778,701	38,181	95%	816,882	38,181	363,181	-	-
Highways & Car Parking - Steve Davenport	20,446,935	4,201,737	24,648,672	21,895,947	2,752,725	89%	24,648,672	2,752,725	26,933,511	35,334,566	55,709,635
Housing & Strategic Planning - Robert Macey	740,766	344,862	1,085,628	946,448	139,180	87%	1,085,628	139,180	2,473,208	1,600,000	-
Organisational Transformation & Digital Infrastructure - Lee Chapman	4,131,578	1,020,224	5,151,802	4,156,901	994,901	81%	5,151,802	994,901	2,394,901	-	-
Public Health - Rob Gittins	-	-	-	-	-	0%	-	-	-	-	-
Total General Fund	53,189,579	9,772,826	62,962,405	53,240,435	9,721,970	85%	62,962,405	9,721,970	103,002,353	71,134,566	84,409,635
Housing Revenue Account - Lee Chapman	8,082,362	(62,887)	8,019,475	5,968,912	2,050,563	74%	8,019,475	2,050,563	24,306,173	18,700,000	18,700,000
Total Approved Budget	61,271,941	9,709,939	70,981,880	59,209,347	11,772,533	83%	70,981,880	11,772,533	127,308,526	89,834,566	103,109,635

CAPITAL BUDGET MONITORING REPORT

APPENDIX 5

Financial Year: 2019 / 2020
Period: 12

Directorate Service Area	Revised Budget Quarter 3	Budget Virements Quarter 4	Revised Budget Quarter 4	Actual Spend 31/03/2020	Spend to Budget Variance	Outturn Projection	Outturn Projection Variance	2020/21 Revised Budget	2021/22 Revised Budget	2022/23 Revised Budget
Adult Services Capital	4,040,073	-	4,040,073	3,089,165	950,908	4,040,073	950,908	8,237,606	3,200,000	3,200,000
Contracts & Providers	-	-	-	-	-	-	-	-	-	-
Housing Services	2,690,227	-	2,690,227	2,053,612	636,615	2,690,227	636,615	6,843,313	3,200,000	3,200,000
Social Care Operations	1,349,846	-	1,349,846	1,035,553	314,293	1,349,846	314,293	1,394,293	-	-
Children's Services Capital	8,247,251	712,772	8,960,023	6,869,768	2,090,255	8,960,023	2,090,255	17,869,859	11,000,000	5,500,000
Children's Residential Care	1,100,000	900,000	2,000,000	1,381,539	618,461	2,000,000	618,461	618,461	-	-
Non Maintained Schools	572,927	(29,132)	543,795	505,477	38,318	543,795	38,318	2,081,681	4,000,000	-
Primary School	6,715,355	(41,727)	6,673,628	4,607,389	2,066,239	6,673,628	2,066,239	11,359,626	4,000,000	5,000,000
Secondary School	403,562	(30,664)	372,898	258,917	113,981	372,898	113,981	1,113,981	2,000,000	-
Special Schools	152,665	577	153,242	116,446	36,796	153,242	36,796	36,796	-	-
Unallocated School	(697,258)	(86,282)	(783,540)	0	(783,540)	(783,540)	(783,540)	2,659,314	1,000,000	500,000
Place Capital - Commercial Services	8,410,957	3,409,617	11,820,574	10,230,557	1,590,017	11,820,574	1,590,017	33,565,957	20,000,000	20,000,000
Corporate Landlord	8,410,957	3,409,617	11,820,574	10,230,557	1,590,017	11,820,574	1,590,017	33,565,957	20,000,000	20,000,000
Place Capital - Economic Development	7,015,881	419,862	7,435,743	6,137,887	1,297,856	7,435,743	1,297,856	13,370,211	1,600,000	-
Broadband	5,050,247	75,000	5,125,247	4,217,451	907,796	5,125,247	907,796	10,646,123	-	-
Development Management	148,620	344,862	493,482	484,729	8,753	493,482	8,753	42,435	-	-
Economic Growth	1,224,868	-	1,224,868	973,988	250,880	1,224,868	250,880	250,880	-	-
Planning Policy	592,146	-	592,146	461,719	130,427	592,146	130,427	2,430,773	1,600,000	-
Place Capital - Infrastructure & Communities	21,255,203	4,210,351	25,465,554	22,674,648	2,790,906	25,465,554	2,790,906	27,296,692	35,334,566	55,709,635
Highways and Transport	20,446,935	4,201,737	24,648,672	21,895,947	2,752,725	24,648,672	2,752,725	26,933,511	35,334,566	55,709,635
Leisure	429,957	-	429,957	398,768	31,189	429,957	31,189	429,957	-	-
Outdoor Partnerships	378,311	8,614	386,925	379,933	6,992	386,925	6,992	6,992	-	-
Visitor Economy	-	-	-	-	-	-	-	-	-	-
Waste	-	-	-	-	-	-	-	325,000	-	-
Public Health Capital	88,636	-	88,636	81,509	7,127	88,636	7,127	267,127	-	-
Public Health	-	-	-	-	-	-	-	-	-	-
Public Protection	88,636	-	88,636	81,509	7,127	88,636	7,127	267,127	-	-
Workforce and Transformation Capital	4,131,578	1,020,224	5,151,802	4,156,901	994,901	5,151,802	994,901	2,394,901	-	-
ICT Digital Transformation - CRM	1,054,370	-	1,054,370	597,675	456,695	1,054,370	456,695	456,695	-	-
ICT Digital Transformation - ERP	1,617,675	-	1,617,675	1,428,820	188,855	1,617,675	188,855	188,855	-	-
ICT Digital Transformation - Infrastructure & Architecture	542,671	1,020,224	1,562,895	1,496,883	66,012	1,562,895	66,012	66,012	-	-
ICT Digital Transformation - Social Care	818,740	-	818,740	633,523	185,217	818,740	185,217	185,217	-	-
ICT Digital Transformation - Unallocated	98,122	-	98,122	-	98,122	98,122	98,122	1,498,122	-	-
Housing Revenue Account Capital	8,082,362	(62,887)	8,019,475	5,968,912	2,050,563	8,019,475	2,050,563	24,306,173	18,700,000	18,700,000
HRA Dwellings	8,082,362	(62,887)	8,019,475	5,968,912	2,050,563	8,019,475	2,050,563	24,306,173	18,700,000	18,700,000
Total Capital Programme	61,271,941	9,709,939	70,981,880	59,209,346.88	11,772,533.12	70,981,880.00	11,772,533	127,308,526	89,834,566	103,109,635

Shropshire Council - Capital Programme 2019/20- 2022/23**APPENDIX 5**

Financing	Revised Budget Q3 19/20 £	Budget Virements Q4 £	Revised Budget Q4 19/20 £	2020/21 Revised Budget	2021/22 Revised Budget £	2022/23 Revised Budget £
Self Financed Prudential Borrowing	5,356,420	4,375,000	9,731,420	41,780,062	30,910,000	30,910,000
Government Grants						
Department for Transport	22,076,379	3,516,951	25,593,330	25,622,926	25,859,289	54,799,635
- Rapid Electric Vehicle Charging Points Grant	30,135	25,385	55,520	11,386	-	-
Ministry of Housing, Communities & Local Gov						
- Land Release Fund	500,596	-	500,596	280,343	-	-
- Housing Infrastructure Fund	1,050,454	-	1,050,454	250,880	-	-
- One Public Estate	75,000	(75,000)	-	-	-	-
Department for Health - Better Care Fund	2,584,017	-	2,584,017	4,703,354	3,200,000	3,200,000
Department for Health - HOLD Grant	300,000	-	300,000	1,971,962	-	-
Department for Education						
- Condition Capital Grant	1,843,328	-	1,843,328	1,528,620	1,000,000	500,000
- Basic Need Capital Grant	163,311	(153,418)	9,893	5,663,742	1,153,418	-
- Devolved Formula Capital	760,821	(17,712)	743,109	987,930	-	-
- Special Provision Funds	192,370	-	192,370	681,104	-	-
- Healthy Pupils Capital Grant	35,020	-	35,020	13,606	-	-
- Full Fibre Broadband	-	-	-	156,602	-	-
Department for Communities and Local Government						
- Community Housing Fund	-	-	-	361,296	-	-
Disabled Facilities Grant (Additional)	-	-	-	-	-	-
Education Funding Agency						
- Early Years Capital Fund	-	(155,474)	(155,474)	124,009	31,465	-
HCA - Travellers	370,000	-	370,000	-	-	-
HCA - New Build	4,367,248	-	4,367,248	3,280,426	3,000,000	3,000,000
BDUK - Broadband	273,426	-	273,426	667,633	-	-
Environment Agency	-	-	-	933,597	-	-
DEFRA	(295,101)	156,602	(138,499)	125,095	-	-
Local Enterprise Partnership (LEP) Fund	-	-	-	1,426,940	-	-
Public Health England	34,549,542	-	34,549,542	-	-	-
	68,876,546	3,297,334	72,173,880	48,791,451	34,244,172	61,499,635
Other Grants						
Historic England/English Heritage	683	-	683	-	-	-
Natural England	-	-	-	683	-	-
Other Grants	945,753	108,787	1,054,540	1,139,471	-	-
	946,436	108,787	1,055,223	1,140,154	-	-
Other Contributions						
Section 106	1,558,117	495,063	2,053,180	4,114,572	11,265,277	-
Community Infrastructure Levy (CIL)	441,027	500,000	941,027	6,315,986	2,300,000	-
Other Contributions	3,546,204	67,181	3,613,385	3,533,638	-	-
	5,545,348	1,062,244	6,607,592	13,964,196	13,565,277	-
Revenue Contributions to Capital	-	1,290,724	1,290,724	4,906,890	2,014,293	2,000,000
Major Repairs Allowance	-	-	-	5,879,247	3,700,000	3,700,000
Corporate Resources (expectation - Capital Receipts only)	-	(424,150)	(424,150)	10,846,526	5,400,824	5,000,000
Total Confirmed Funding	80,724,750	9,709,939	90,434,689	127,308,526	89,834,566	103,109,635

Funding Changes - Quarter 4

APPENDIX 5

Budget Increase/Decrease	2019/20	2020/21	2021/22	2022/23	Details
Self Financed Prudential Borrowing	4,375,000	(3,475,000)			Children's Residential Care schemes (£900,000) and completion of acquisition of Castletree Oswestry
Government Grants					
Department for Transport	3,516,951				DfT Local Majors Funding.
- Rapid Electric Vehicle Charge Points	25,385				Additional funding notification from Highways England.
Ministry of Housing, Communities & Local Government					
- One Public Estate	(75,000)				Grant funded directly to CCG.
Department for Health - Better Care Fund		9,291			Notification of 2020/21 grant confirmed.
Department for Education					
- Basic Need Capital Grant			(153,418)		Reallocation of underspent Basic Need unallocated budget to School Place Plan Programme.
- Devolved Formula Capital	(17,712)				Transfer to Academy School.
Education Funding Agency					
- Early Years Capital Fund			(31,465)		Reallocation of underspent Early Years Capital unallocated budget to School Place Plan Programme.
DEFRA	156,602				DfE Full Fibre Broadband Grant.
Local Enterprise Partnership (LEP) Fund		(300,000)			Reprofiling of scheme budget to match expected expenditure profile. Reversal of Period 10 slippage.
Total Government Grants	3,606,226	(290,709)	(184,883)	-	
Other Grants					
Other Grants	108,787	89,431			ERDF contributions to Corporate Landlord SEPUBu Programme (£108,787) and Ludlow Assembly Rooms project (£89,431).
Total Other Grants	108,787	89,431	-	-	
Other Contributions					
Section 106	495,063				S106 contribution to ITP South schemes - Shifnal Network Improvement (£23,418), Shifnal Bradford Street Enhancement (£126,783) and Parish /Town council schemes (£344,862).
Community Infrastructure Levy (CIL)	500,000				CIL contribution to SITP scheme.
Other Contributions	67,181	57,922			Private sector contributions to ITP Central scheme - Morrisons, Shrewsbury Right Turn Traffic Lights (£9,200 in 2019/20 and £10,300 in 2020/21). Diocese contribution to Baschurch Primary Basic Need scheme (- £17,019 in 2019/20 and £43,363 in 2020/21). £75,00 contribution to Broadband Project in 2019/20 and £4,259 contribution to Ludlow Assembly Rooms refurbishment project in 2020/21.
Total Other Contributions	1,062,244	57,922	-	-	
Revenue Contributions to Capital	1,290,724				Invest to Save (I2S) revenue contribution to Corporate Landlord SEPUBu Programme (£94,078) and ICT Upgrades Programme (£1,020,224) and schools revenue contribution to Wistanow DFC scheme (£1,502). £12,708 schools revenue contributions to a number of Devolved Formula Capital schemes and £162,212 contribution to the Corporate Landlord Programme.
Corporate Resources (expectation - Capital Receipts only)	(409,733)		(13,426)		In 2019/20 budgets amended to match STaR profile and financing (£62,887) and removal of budget requirement (£346,848) as scheme removed from programme. In 2021/22 reallocation of underspent School Amalgamations unallocated budget (£4,000) and underspent Basic Need unallocated budget (£9,426) to
	10,033,248	(3,618,356)	(198,309)	-	
Re-Profiling					
Children's Services					
Basic Need Unallocated	(162,844)		162,844		Reprofiling of unallocated underspent budget to match profile of School Place Plan Programme.
Early Years	(156,465)	125,000	31,465		Reprofiling of unallocated underspent budget to match profile of School Place Plan Programme.
School Amalgamations Schemes	(4,000)		4,000		Reprofiling of unallocated underspent budget to match profile of School Place Plan Programme.
	(323,309)	125,000	198,309	-	
	-				