



Committee and Date

Transformation &
Improvement Scrutiny
4th September 2023

Cabinet
6th September 2023

Item

Public



Financial Monitoring Report Quarter 1 2023/24

Responsible Officer:	James Walton
email: james.walton@shropshire.gov.uk	Tel: 01743 258915
Cabinet Member (Portfolio Holder):	Cllr Gwilym Butler, Finance & Corporate Support

1. Synopsis

The Shropshire Plan clarifies our vision and priorities, aligning our resources to deliver positive outcomes for our people, businesses and communities. Our objectives are to be delivered within a fixed financial envelope and we are making great progress towards that aim.

2. Executive Summary

Overview

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

The current year, 2023/24, is the year we are prioritising financial management with the aim to create a sustainable financial future. Over this year we need to closely monitor our finances and take decisive and corrective action against any deviation from our

approved Medium Term Financial Strategy (MTFS). We are seeking to rebase our budgets, in line with the outcomes defined in TSP, to secure a modern, efficient, and sustainable base for the Council finances across the 5 year period of the MTFS. This approach is aligned to the recommendations of the LGA peer review and is comparable with the best approaches seen in local government. We will need to make the adjustments this year but Shropshire residents will reap the rewards for many years to come, through improved financial stability. Against this backdrop we are seeking to maintain our performance and improve it where our financial position allows. Our plans will then expand into the next financial year with a focus on increased efficiency and improved outcomes, redefining the way we deliver our services to optimise delivery of our vision. Beyond that, our emerging intent is to grow our potential, seeking continuous improvement, greater resilience and increased efficiency in all aspects of our work.

Summary

- 2.1 In a challenging year, where other councils have struggled financially, Shropshire Council is robustly managing its finances. Our net budget has grown by £20m compared to last year and we have targeted £51.4m of spending reductions to contain our spending within this financial envelope. Of this target, £11m has been delivered by the end of June 2023 and a further £23m to be delivered by March 2024. Overall, this equates to £34.3m, or 67% of the target, in place within the first quarter of the financial year, with three quarters of the financial year left to deliver the remaining 33%.
- 2.2 In common with every financial year, we expect our models and plans for service delivery to adapt and modify with the changing external environment. Typically, we must manage under and over-spending variations across all of our spend heads and to date we have identified material pressures in demand-led social care services. We are working to create plans to mitigate these pressures to align our spending with available resources, if necessary, extending beyond this financial year.
- 2.3 While the Council's vision and intended outcomes is clear, the scale of the financial challenge in 2023/24 is unprecedented. To maintain focus in the delivery of our outcomes, increased resilience across the organisation is necessary. Undertaking an extensive leadership development programme (GLR) to provide individual resilience, investing in a new corporate resource (the Office of the Chief Executive or OCE) to provide programme management expertise and increased focus, and working with a new Strategic Transformation Partner (PwC) to create capacity and capability for the authority are all designed to improve organisational resilience.
- 2.4 This report estimates the Council's year end position by reviewing and projecting information from the first quarter of the financial year. Whilst information from the period 2 (to the end of May) was used to provide an early oversight of our financial position, this is the first published report for the current financial year and will be followed by reports for the year to 30 September (quarter 2), 31 December (quarter 3), and 31 March (quarter 4, or 'outturn'). Monthly updates will be provided between these times.
- 2.5 As part of the necessary arrangements for delivering TSP, the Council has reviewed and updated its approaches to both performance and financial monitoring. Both areas are now more pro-actively informed by timely activity data and are available to a range of officers to help guide decision making. The 'PowerBI' dashboards provide

current data, showing trends, RAG status and benchmarking where available. These approaches were initially designed in late 2022/23 and have been implemented in Q1 2023/24 for roll out across the year. The work on them is ongoing and iterative, as we identify what works best for colleagues across the Council.

- 2.6 The Q1 Performance report (elsewhere on this agenda) sets out performance across the Council using a range of KPIs. These focus on the key performance metrics needed to enable assessment of the delivery of the agreed outcomes set out in TSP through our priorities and strategic objectives.
- 2.7 This Q1 Finance report complements the performance report but provides a different perspective. Crucially, the finance report and the forecasts it contains reflect the current position on ‘cost drivers’ rather than ‘KPIs’. We may therefore find that the position on KPIs is favourable, but that the finance position is adverse because the activity levels (the cost drivers) are higher than anticipated.

Key Values and Context

- 2.8 The key issues highlighted by this report are:
- a. **Revenue spending reductions of £34.3m:** The MTFs agreed by Full Council (2 March 2023) included £51.4m of planned spending reductions.
 - o To 30 June, £11.4m is confirmed as already fully delivered with £34.3m of spending reductions to be delivered by 31 March 2024.
 - o £34.3m represents 67% of the year-end target and is already equal to the final percentage delivery level achieved in recent years, with three quarters of the year still to go. Delivery of £34.3m is already greater than the last 3 years savings delivery combined.
 - b. **Remaining revenue spending reductions to be achieved of £17.1m:** Further work is needed to deliver the balance of spending reductions to achieve the overall target. Additionally, reductions achieved to date are those which are comparatively easier, so the remaining amounts are likely to be more challenging.
 - c. **Spending pressures in demand-led services of £20.5m:** Despite the good progress on spending constraint already identified (at a and b, above), services in demand led areas are seeing levels of activity between 1.5x and 2x budget estimates. This is particularly acute in adult social care and children’s services, but also notable in Housing (temporary accommodation).
 - d. Taking (a), (b), and (c) together results in a **‘BAU’ forecast of £37.6m outside of available budget**
 - e. Including operational plans being prepared for items (b) and (c) creates a revised calculation of an **‘operating’ forecast of £5.2m over budget.**
 - f. This would result in a charge at year end to the **General Fund Balance leaving a £21.8m carry forward position.**

Table 1: summary position including current BAU and Operating Forecasts.

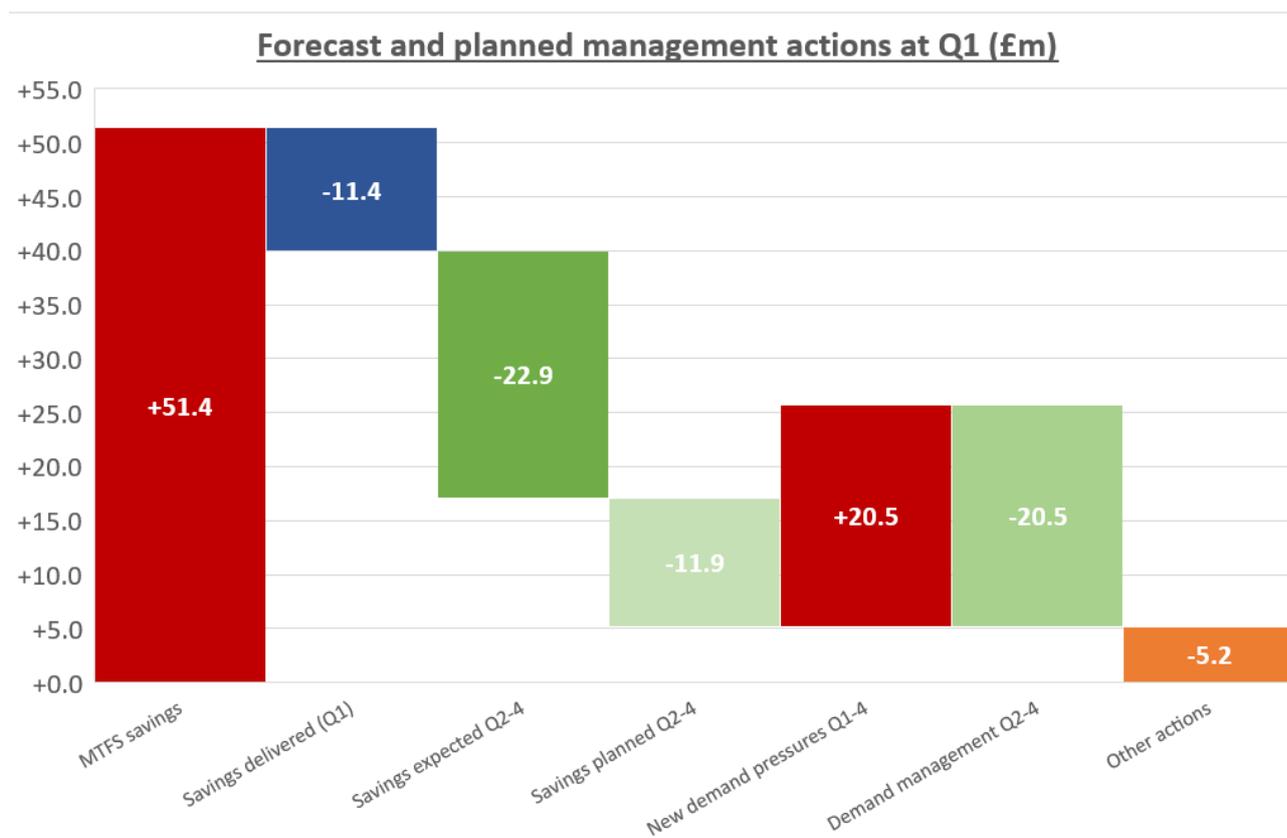
		Ref	£m
Savings	Target: £51.4m; Achieved £11.4m, expected: £22.9m (67%), so £17.1m o/s	(b)	17.1
Other challenges	Social care demand higher than anticipated	(c)	20.5
BAU forecast	Forecast before planned mitigations (‘do nothing’)	(d)	37.6

Further savings (pipeline)	Remaining savings to minimum expected delivery (90% x 51.4 = 46.2; 46.2-34.3 = 11.9)	-	11.9
Demand mitigation	Short term funding while demand-led pressures are addressed (18 months)**	-	20.5
Operating forecast	Forecast after planned mitigations ('planned delivery')	(e)	5.2
Unearmarked reserves	General Fund Balance brought forward		7.1
	Budgeted contribution		19.9
	Planned delivery forecast (unless mitigated)	-	5.2
	Estimated General Fund Balance @ 31 March 2024 <i>(target = £15m-£30m)</i>	(f)	21.8

2.9 To address this position effectively, the following measures have been put into place:

- Review of savings not yet achieved to identify how delivery against the remaining £17.1m can be maximised
- Implementation of demand-management initiatives in social care services to ensure that, wherever possible and safe, early interventions are identified to help prevent children coming into care, and adults entering hospital. Given the extent of the demand-led pressures, it is expected that the situation will not be fully resolved in the current financial year. As such, and where clear long term plans are set out which can demonstrate success, short-term funding will be made available while successful demand management measures are implemented.
- The General Fund balance, as set out in the March MTFs has been increased to £27m. It is intended to preserve this amount to the greatest extent possible in the year, as part of the wider work to repair the Council's balance sheet. Based on the planned forecast set out above, there may remain an unreduced pressure of £5.2m, which could be funded by the general fund balance and leave £21.8m (which is above the lower end of the target range).

Figure 1: chart showing patterns of pressures and mitigations.



2.10 Capital: The projected capital outturn is £140.643m, in line with the current budget with current capital expenditure of £5.053m, (3.6% of the budget at Quarter 1, with 25% of the year elapsed).

- In 2023/24, 2024/25, 2025/26 and 2026/27 capital receipts are currently projected to be lower than those required for the programme. Targets for capital receipts will be reviewed as part of the review of the capital strategy, but priority will need to continue to realise receipts from surplus assets.
- The capital receipts position is further emphasised by the March MTFS plan to fund transformational activities additional to those already identified in the MTFS through the flexible use of capital receipts.

3 Recommendations

Transformation & Improvement Scrutiny Committee

3.1 It is recommended that Transformation & Improvement Scrutiny Committee Members note the position and identify any areas for future consideration by Scrutiny.

Cabinet

3.2 It is recommended that Cabinet Members:

- A. Note that at the end of Quarter 1 (30th June 2023), the expected level of savings delivery is £34.3m, representing more than the sum total of the last 3 years, and a level of delivery equal to that in recent years.
- B. That savings not yet confirmed amount to £17m.
- C. That demand-led services are forecasting significant overspending of £20.5m in the year, which is likely to continue into the coming year.
- D. The result of those points (A-C above) is a current forecast of overspend of £37.590m
- E. That it is assumed for planning purposes that
 - a. 65% of the remaining savings will be delivered (total: £11.9m) and
 - b. short-term funding will be identified to enable sustainable demand management approaches to be implemented in social care services (total: £20.5m), and that necessary plans are prepared to enable this.
- F. The resulting forecast at quarter 1 is therefore a likely overall overspend of £5.2m once key management actions are implemented. This will leave the General Fund balance at £21.8m, within the target range of £15m-£30m.

Report

4 Risk Assessment and Opportunities Appraisal

- 4.1 The management of the Council's Budget is a key process in ensuring strategic risks are mitigated and the Council can carry out business as intended and planned for within The Shropshire Plan.
- 4.2 The Council is also experiencing locally the nationally reported shift in the labour market which is making recruitment more difficult. Actions are being put in place to ensure that our employment offer is attractive within the market and well publicised, including improved internet presence and revised recruitment processes.
- 4.3 The current economic climate in the UK presents specific risks including the changes to the bank rate and the pressures from inflation which require active management.
- 4.4 The level of savings delivery and financial pressures in the current year are a recognised risk for the 2023/24 budget, and continued focus and action are being put in place to address this.
- 4.5 Overall, the financial outlook is positive, but the levels of risk and challenge set out in the report are beyond anything previously faced by the Council. In that context, investment of lead officer time in a council-wide leadership programme (Getting Leadership Right) and engagement with an external partner (PwC) are part of the steps taken to rapidly expand capacity and ability to meet the challenges already identified.

5 Financial Implications

- 5.1 This report sets out the financial projections for the Council in the 2023/24 Financial Year. Full details of projected spend in both the revenue and capital budgets are detailed in section 8-12 of this report.

6 Climate Change Appraisal

- 6.1 The Council's Financial Strategy supports its strategies for Climate Change and Carbon Reduction in a number of ways. A specific climate change revenue budget is held and spend is included in Appendix 1 to this report. The climate change schemes involving the Council's assets or infrastructure are included within the capital programme of which further detail can be found within Appendix 7. These two areas of expenditure are anticipated to have a positive contribution towards climate change outcomes.
- 6.2 Securing a robust and sustainable financial base will help the Council meet the challenges of climate change – this is not separate to our budget management, but integral to it, as set out in the objectives of The Shropshire Plan and our aim to secure a Healthy Environment.

7 Background

- 7.1 Budget monitoring reports are produced quarterly for Cabinet and the budget position is reported monthly to Executive Directors, highlighting the anticipated year end projection.
- 7.2 The monitoring reports track progress against agreed budget decisions, consider any budget changes (including re-profiling on Capital), forecast any significant variances to the budget, and enable corrective action to be taken to ensure a balanced budget at year end.
- 7.3 Council approved the Financial Strategy 2023/24 – 2027/28 on March 2023 which outlined the revenue and capital budget for 2023/24.
- 7.4 The approach to the current year was changed in view of the challenges we face, identified in the MTFs agreed by Full Council on 2 March 2023. The approach to the current year was changed to:
- Improve access for budget holders to key activity and financial information
 - Speed up internal reporting from quarterly to monthly, while maintaining quarterly reporting as our standard demonstration of transparency and accountability.
- 7.5 Further work is in hand to share additional detail with all Members, staff, and residents, not least through scrutiny committee review ahead of cabinet discussion. However – there is a recognition by Chief Officers that too much focus on review and scrutiny will hamper the work of staff already engaged in delivery of targets for the current year – so, we are seeking an effective balance of detail and summary information, which is unlikely to satisfy all, but which is a clear progression over previous arrangements, and which responds to current challenges.

8 Projected Revenue Business as Usual Outturn at Q1

- 8.1 At Quarter 1 (April 1 – June 30), the Council is reporting a BAU ('business as usual') forecast overspend of £37.590m. This forecast assumes that all current plans are delivered, and that no further plans are put into place (hence, BAU).

- 8.2 As set out at paragraph 2.2 above, and table 1, this BAU forecast does not include the expected impact of further actions to secure the current operating forecast of £5.2m over budget – mitigations of £32.4m.
- 8.3 Table 2 below summarises the position by directorate (see also Appendix 1A and 1B), including latest projections on funding. A breakdown of the projected outturn by portfolio holder is detailed in Appendix 1C.

Table 2: Projected Revenue Outturn

Directorate	Revised Budget (£'000)	Forecast Outturn (£'000)	Under/Overspend (£'000)
Health and Wellbeing	2,509	2,572	63
People	207,319	232,178	24,859
Place	80,984	89,459	8,475
Resources	3,307	6,759	3,452
Strategic Management Board	160	174	14
Service Spending			
Corporate Budgets	(38,365)	(37,638)	727
Total Net Expenditure	255,914	293,504	37,590
Funded By:			
Council Tax	(193,577)	(193,577)	0
Business Rates	(39,424)	(39,424)	0
Top Up Grant	(11,120)	(11,120)	0
Revenue Support Grant	(7,479)	(7,479)	0
Collection Fund (Surplus)/Deficit	(4,314)	(4,314)	0
Total Funding	(255,914)	(255,914)	0
Total	0	37,590	37,590

- 8.4 The majority of the current forecast overspend can be summarised as:
- £17.205m of unachieved savings targets to be delivered as at Quarter 1. Savings have been shown as delivered if there is a clear plan in place, delivery is already under way and there is certainty in delivery over the course of the financial year.
 - £10.141m budget pressures against spot purchasing within Adult Social Care due to greater demand and higher cost of placements.
 - £6.173m overspend on residential and fostering placement costs within Children's Social Care.
- 8.5 In order to address the budgetary pressures arising in Social Care, the service is actively pursuing a demand management plan with the intention of reducing ongoing demand. This is being achieved by:

- Childrens services transformation plan aims to reduce numbers of looked after children by stepping them down from 'CLA' to Child in Need or Early Help This will be achieved by
 - Closer working with other public agencies (Health,, Police) to more quickly identify households with emerging acute support needs – for example, where issues of harm relating to mental health, domestic abuse, drug and alcohol impact the safety of children. ,
 - Implementing parenting support across the Councils communities, for existing parents and expectant parents, to ensure that all parents are supported to nurture and protect their children.
 - Seeking earlier indications of family groups that are under pressure and may be entering a crisis; supporting those families to remain together and so avoiding taking children into care.
 - Providing earlier support to children and their families who are encountering difficulties, aiming to avoid any family entering crisis, or alternatively to minimise the extent of that crisis.
 - Promoting foster care as a fulfilling and desirable activity; seeking to recruit new foster carers, and promoting the best outcomes for all children whatever their care setting.
- Adults services are focusing on demand management interventions as follows:
 - We are currently supporting more people than we expected to when budgets were set ahead of the financial year in October. We have seen an increase in complexity of client needs, particularly those requiring nursing care, as well as increasing demand from ongoing pressures in hospital discharge.
 - Work is underway to manage demand and remodel the service through the Reablement Transformation programme, aimed at supporting people to live more independently.
 - Following Cabinet's decision in February 2023, we increased fee rates this year to stabilise the domiciliary care market. The increase was up to 12%, at a cost of £1.040m (included in the forecast overspend).
 - Market rates in the care home market have also been increasing during the year. Work is ongoing with the market to manage the increased costs of care

8.6 The demand management plan should deliver a sustainable budget projection , however it is acknowledged that this may take time to implement and therefore short term funding of these and other pressures may be required whilst plans are put into action.

8.7 More detailed arrangements are being implemented to track benefits realisation from these initiatives and to ensure that appropriate amendments to the MTFs are put in place.

8.8 The forecast in this report includes assumed levels of funding for Adult Social Care as set out in the March MTFs. These are included below.

ASC Funding	£m	
<i>Social Care Grant</i>	- 15.759	9%
<i>Improved Better Care Fund</i>	- 11.863	7%
<i>CHC</i>	- 8.036	5%
<i>BCF</i>	- 7.356	4%
<i>Other Income</i>	- 3.393	2%
<i>Market Sustainability and Improvement Funding</i>	- 3.264	2%
<i>DHSC – Adult Social Care Discharge Fund</i>	- 1.663	1%
<i>Other Health contrib</i>	- 1.564	1%
<i>DLUHC – Homes for Ukraine Scheme</i>	- 0.124	0%
<i>DoH War Pensions Disregard Grant</i>	- 0.117	0%
<i>Care and Support Prisons</i>	- 0.048	0%
<i>Local Reform and Community Voices</i>	- 0.038	0%
<i>ASYE</i>	- 0.011	0%
<i>Client contributions</i>	- 22.381	13%
<i>Council tax excluding SCP</i>	- 76.449	43%
<i>Social care precept</i>	- 24.157	14%
	- 176.224	100%

9 Income

9.1 The revenue budget is funded by £255.9m of income including specific government grants and retained local taxation receipts. Grant values are advised in the settlement before the start of the year and are unchanged. Income through discretionary fees and charges is included in budgets for service area net spending. Appendix 2 provides analysis of the current projection of specific government grant income by directorate, including any new allocations, and highlights the current delivery of income through fees and charges charged in services.

10 Savings

10.1 The savings projections for 2023/24 have been shown as delivery confirmed or delivery to be confirmed and are presented in Appendix 3. These projections show that 66.5% of the 2023/24 savings required have been rated as green.

10.2 Table 3 below summarises the savings that have been delivered as at Period 3, against the profiled delivery. This shows the position as at Period 3 is ahead of the profiled delivery at this point in the financial year.

Table 3: Savings Delivery in 2023/24

2023/24 IN-YEAR SAVINGS POSITION	Delivered Q1 (£)	Delivered Q1 (%)	Full year forecast (£)	Forecast v target (%)	Net Budget Share (%)
Health & Wellbeing	-468,027	71.65%	-527,884	81%	1%
People	-4,900,379	22.84%	-17,363,649	81%	77%
Place	-4,502,844	26.82%	-10,168,120	61%	29%
Resources	-809,618	13.43%	-2,042,912	34%	1%
Corporate	-700,010	10.83%	-4,200,010	65%	-8%
DELIVERED AS AT PERIOD 3	-11,380,977	22.15%	-34,302,575	67%	100%
PROFILED DELIVERY	-11,165,658	21.73%			

11 Reserves

- 11.1 The 2023/24 budget strategy included a contribution of £19.868m to the General Fund balance which would then reach £26.961m, which is a safer level given the current profile of financial risks. This is shown in the table below, and in appendix 5.
- 11.2 It is anticipated that one off resources will be identified to offset pressures in year while longer term sustainable demand management plans are in place. This will include the review and release of earmarked reserves and a review of grant balances received to try to utilise funds to offset one off pressures, primarily in social care. Without the use of these one off funds, and continued action to deliver the savings programme, the General Fund balance will be substantially depleted.
- 11.3 It is imperative that the Council maintains the General Fund Balance as assumed within the Medium term Financial Strategy, otherwise it would limit the ability of the council to mitigate any further unforeseen shocks such as ongoing inflationary increases, climate events such as flooding and drought, or rapid reductions in available resources due to changed national policy. Independent advice is that General Fund un-earmarked reserves should equate to 5%-10% of next spending.

Table 4: General Fund Balance

General Fund	£'000
Balance as at 1 st April 2023	7,093
Budgeted Contribution in 2023/24	19,868
Budgeted General Fund Balance as at 31st March	26,961

12 Capital

- 12.1. The current capital programme and actual spend is detailed in Table 5 below, including updated projections on financing of the programme. Further detail is provided in Appendix 7.

Table 5: Projected Capital Programme Outturn

Directorate	2023/24 Revised Capital Programme (£'000)	2023/24 Actual Spend (£'000)	2023/24 Actual YTD spend as % of Budgeted YTD Spend	2024/25 Capital Programme (£'000)	2025/26 Capital Programme (£'000)
Health and Wellbeing	-	-	-	-	-
People	17,718	1,002	5.65	16,577	7,399
Place	97,410	3,050	3.13	78,183	35,576
Resources	1,042	1	0.06	-	-
Total General Fund	116,170	4,053	3.49	94,760	42,975
Housing Revenue Account	27,977	1,000	3.57	15,122	13,313
Total Capital Programme	144,147	5,053	3.51	109,882	56,288
Financed By:					
Borrowing	41,810			30,617	12,342
Government Grants	62,684			58,918	30,481
Other Grants	2,274			156	44
Other Contributions	9,958			4,951	2,100
Revenue Contributions to Capital	4,536			-	369
Major Repairs Allowance	8,317			4,828	5,000
Capital Receipts	14,568			10,412	5,952
Total Financing	144,147			109,882	56,288

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

12.2 The financing of the current capital programme assumes a level of capital receipts being realised, as set out in table 5. In the event that the receipts are not available as planned, the council may need to fund capital investment from alternative sources – available grants, developer contributions, or external borrowing, where it is prudent and appropriate to do so. This changeable position is planned for in advance and confirmed at year end. Appendix 8 summarises the current capital receipt position and highlights both opportunities to secure receipts and the risk of increased revenue costs in future years.

13 Housing Revenue Account (HRA)

13.1 At Quarter 1 (Period 3), the HRA is projecting a minor overspend of £0.422m (2% of gross budget) due to reduced projected dwellings rent. This will be carefully monitored during the remainder of the year and action taken to reduce this, however any residual overspend will be financed through the HRA reserve.

14 Dedicated Schools Grant

14.1 As with previous years, the final Early Years Block DSG allocation for 2022/23 was published on 20th July 2023. The final allocation of £17.139m which takes account of the January 2023 census figures is £0.193m less than the provisional Early Years DSG Block DSG allocation of £17.332m used to calculate the 2022/23 DSG surplus carried forward figure of £2.695m. This means that the revised surplus carried forward now stands at £2.502m. £0.285m of this DSG surplus carried forward relates to the

2021/22 and 2022/23 surpluses carried forward on the Schools Growth Fund. This value is fully earmarked for the Schools Growth Fund in 2023/24.

- 14.2 As at the end of Quarter 1, there is no variance to budget being reported on the Early Years Block DSG. Within the High Needs Block DSG (after deductions) allocation of £32.974m, although no variance to budget is being reported, there continues to be significant growth in expenditure against the Independent Special Schools budget, due to significant growth in EHCP assessments and plans issued. In 2023/24 this budget pressure is offset with forecast underspends in other areas such as Post 16 – Further Education college placements.

15 Financial Management

- 15.1 Key indicators of financial management can be examined through the management of routine financial transactions that the Council undertakes on a day-to-day basis.
- 15.2 In paying suppliers, the Council has adopted a no Purchase Order, no pay process which ensure that transactions are only processed with a valid, authorised purchase order, thereby ensuring prompt payments to suppliers on receipt of invoice.
- 15.3 Another key indicator of financial management is the level of aged debt that the Council is managing. These indicators are tracked over the course of the financial year to monitor progress. The indicators as at Quarter 1 are detailed in Appendix 9.

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

Financial Strategy 2023/24 – 2027/28

[Shropshire Council Outturn report , 2022/23](#)

Financial Rules

Local Member:

All

Appendices [Please list the titles of Appendices]

Appendix 1A – 2023/24 Projected Revenue Outturn by Service

Appendix 1B – 2023/24 Detailed Projected Revenue Outturn by Service

Appendix 1C – 2023/24 Projected Revenue Outturn by Portfolio Holder

Appendix 2 – 2023/24 Income Projections

Appendix 3 – Delivery of 2023/24 Savings Proposals

Appendix 4 – Reconciliation of Monitoring Projections to Savings Delivery

Appendix 5 – Amendments to Original Budget 2023/24

Appendix 6 – Reserves 2023/24

Appendix 7 – Projected Capital Programme Outturn 2023/24 – 2025/26

Appendix 8 – Projected Capital Receipts

Appendix 9 – Financial Management Indicators

APPENDIX 1A

2023/24 PROJECTED REVENUE OUTTURN BY SERVICE

Directorate / Service	Controllable Budget at Q1	Forecast Outturn at Q1	Forecast Outturn Variance at Q1	Reasons for Movement
	£'000	£'000	£'000	
People				
Children's Social Care and Safeguarding	51,371	61,771	10,400	<p>Current activity is materially higher than estimated in the budget due to sibling groups taken into the care system in the winter period. Demand higher than estimated is the key driver for the variances described below.</p> <ul style="list-style-type: none"> • £0.270m GLR Saving shown as unachieved. • £1.376m overspend on staffing across the Social Work Teams, largely relating to Agency Social Workers. This includes £0.388m overspend on Equinox Contract (additional capacity Social Work Team/Court Team 2). There is a credit of £0.867m relating to the capitalisation of posts as a one-off working on transformational projects • £4.497m overspend on External Residential Placements. 50 residential spot/framework placements (excluding DCT) at the end of June but only budget for 30. • -£0.248m underspend on Internal Residential Children's Homes. Large underspend of £0.442m on Ifton House (currently not in use) offsetting the overspends across the other 5 Children's Homes, mostly on staffing (overtime) • £1.676m overspend on Fostering. The majority relates to External Fostering (£0.989m), partly explained by unachieved saving of £0.764m of £1m savings target (which is reported as achieved through overachievement on Stepping Stones Project saving) and partly due to in-year growth forecast of 1.25 new placements per month. • £0.346m overspend on Leaving Care, mostly relating to Leaving Care Accommodation and Allowances • £0.721m overspend on Disabled Children's Team, mostly relating to DCT Prevention and Support payments and DCT Direct Payments • £0.343m overspend on Public Law Outline Support Packages (court ordered legal costs) • £0.353m overspend on Transport related costs across the Social Work teams e.g taxi costs. (doesn't include travel allowances)

Directorate / Service	Controllable Budget at Q1	Forecast Outturn at Q1	Forecast Outturn Variance at Q1	Reasons for Movement
	£'000	£'000	£'000	
Adult Social Care	129,576	141,128	13,152	<p>Purchasing Only+£11.322m: •+£10.141m spot purchasing projected overspend. This pressure is split across base budget, where numbers of service users and cost of placements are higher than anticipated at budget setting, but lower than they were as at 1st April, and savings pressures that we are yet to see materialise in full. Continued achievement of savings in this area will reduce numbers and costs so the two go hand in hand when showing the overall position. We have seen an increase in nursing care, highlighting a complexity in people's needs from the community and through the hospital discharge routes. We have also seen more packages of care commissioned within peoples' homes, but costs have increased. Work is on-going with the market to manage the increased costs of care. Finally, we have seen further pressures due to the continued need to support hospital discharges and short term care provision which has resulted in higher costs.</p> <p>•+£2.864m overspend on new and increased supported living packages. This overspend also includes a targeted £1.000m savings target and is driven by the level of complexity of service users' needs. Work is underway to remodel the service to better meet those needs.</p> <p>•(£2.089m) anticipated over achievement of client contributions to care costs. As per the pressure on expenditure, due to greater number of individuals being supported than budgeted for, we are showing a greater amount of contributions being collected. •+£0.419m forecast overspend in START. This is down to staffing. We have over-recruited within the team and increased wages in order to deal with previously seen high staff-turnover. Although showing as an overspend in this area the impact of not having a fully staffed service is the extra reliance on external providers to deliver care. This is at greater expense and has worse outcomes for the individuals, who often have to access longer-term care when not given the correct support to enable them to go back home. If we continue to see high staff turnover then the expenditure will reduce due to vacancy.</p>
Directorate Management	406	3,108	2,702	<p>£2.589m Target Operating Model - 5% reduction in staffing saving is shown as unachieved.</p> <p>£0.040m GLR Saving shown as unachieved against People Directorate Management and £0.063m Learning and Skills GLR saving shown as unachieved against "Children's Management"</p>
Learning and Skills	22,344	22,525	181	<ul style="list-style-type: none"> • £0.300m overspend forecast against Home to School Transport using last year's outturn as guide against current budget. • -£0.065m capitalisation of post within the Learning and Skills Performance

Directorate / Service	Controllable Budget at Q1	Forecast Outturn at Q1	Forecast Outturn Variance at Q1	Reasons for Movement
	£'000	£'000	£'000	
				and Integration Team • -£0.026m underspend on NEETs Data Tracking team explained by a temporary vacancy management saving and forecast underspend on casuals/overtime
Children's Early Help, Partnerships and Commissioning	3,622	3,647	25	Minor variation to budget at Period 3.
People Total	207,318	232,178	24,860	
Place				
Commercial Services	5,094	5,765	670	£0.530m Climate Change overspend £0.411m relates to a savings target from a previous MTFS that has been transferred from Shire Services, a paper is going to Cabinet/ Council in relation to a climate change/ carbon reduction project to achieve this saving. Further delays on the approved Maesbury Solar Farm project which is expected to deliver £0.125m - delayed until 2024. £0.034m income shortfall within Commercial Services Business Development. £0.111m GLR Saving currently shown as unachieved. Reserves are being used to offset in year pressures within Corporate Landlord, Property and Development.
Homes and Communities	16,872	17,494	622	£0.434m Overspend on Leisure Services, £0.375m Overspend on Housing Service £0.198m GLR Saving currently shown as unachieved. Offset by savings of £0.164m on Business & Consumer Protection, £0.115m on Museums, £0.065m on Registrars & Coroners and £0.034m on Theatre Services plus various service underspends across other areas of Homes and communities.
Economy and Place	5,291	6,297	1,005	AD Economy and Place £0.131m, GLR saving and office alterations; Planning and Economy Services £0.719m, a forecast drop in expected planning application income offset by vacancy and other savings (Major Planning Applications Q1 were 24 in number, whereas previously 29 in 22/23 and 30 in 21/22), and Shopping Centres £0.155m, unachievable saving due to slippage on key milestones within the Shrewsbury Town Centre Redevelopment Programme Capital Project including demolition.
Directorate Management	(604)	770	1,374	Projected overspend of £1.356m relating to undelivered TOM staffing budget turnover and wastage increase by 5% (year end review) savings, work is being done in year to plan for these savings.
Highways and Transport	54,330	59,133	4,803	AD Infrastructure £0.174m, GLR saving; Waste Management £4.153m, which includes the outstanding Waste PFI saving which is yet to be

Directorate / Service	Controllable Budget at Q1	Forecast Outturn at Q1	Forecast Outturn Variance at Q1	Reasons for Movement
	£'000	£'000	£'000	
				achieved. Work to devise delivery plans for this saving is continuing with a focus on quantifying what will be achievable in year. Highways (Operations) £0.218m, mainly Streetworks income lower forecast based on current case numbers and legislative changes to the charging mechanism: and Environment £0.257m, mainly costs to develop parking strategy and high street pedestrianisation.
Place Total	80,984	89,459	8,475	
Resources				
Finance and Technology	3,362	4,653	1,291	Currently there are expected to be unachieved savings targets of £1.200m, of this £1.000m is from a reduction in housing benefit subsidy loss from accommodating people in B&B accommodation to prevent homelessness, currently this saving is undeliverable, however solutions are being investigated as to how this can be moved forwards by housing. Further there are additional unachieved savings targets relating to efficiency reviews and Getting Leadership Right targets. Partly offsetting the undelivered savings are efficiencies across supplies and services, and vacancy management.
Workforce and Improvement	7	79	72	Currently there are expected to be unachieved savings targets of £0.142m, plans to make these savings achievable are currently being investigated, this has been partly offset by savings from vacancy management and anticipated additional income generated within Health and Safety.
Communications and Engagement	861	958	97	Unachieved savings around reducing the opening hours of Customer Service Centre, CCTV partner funding, and Getting Leadership Right targets yet to have delivery confirmed, offset in part by turnover within service area.
Treasury and Pensions	161	161	0	No variation to budget at Period 3.
Directorate Management	(1,906)	16	1,922	Currently there are expected to be unachieved savings targets of £1.927m, plans to make these savings achievable are currently being investigated.
Legal and Governance	822	893	71	Unexpected turnover within Legal Services generating additional vacancy savings, has been offset by the requirement to cover posts via more expensive agency, and locum costs. There are also unachieved savings targets relating to Getting Leadership Right targets, legal disbursement reductions and service redesign.
Resources Total	3,307	6,759	3,452	

Directorate / Service	Controllable Budget at Q1	Forecast Outturn at Q1	Forecast Outturn Variance at Q1	Reasons for Movement
	£'000	£'000	£'000	
Corporate Budgets	(38,365)	(37,639)	726	Assumed £2.050m of Organisation Wide TOM savings are unachieved, and £0.214m unachieved PFI savings, in year pressure from external audit fees of £0.037m offset by combined savings of (£0.120m) against non-distributable costs and corporate subscriptions, (£0.308m) from interest receivable and payable, MRP one off savings of (£0.592m), and (£0.572m) capital receipts set aside saving (one-off) for 23/24.
Health and Wellbeing				
Public Health	388	388	0	No variation to budget at Period 3. This area has forecast a planned draw down from the Public Health Grant reserves in 23/24 of £2.015m. The draw down is in line with planned priorities agreed with PHG regulators for post COVID recovery and is aligned to delivery of the Shropshire Plan including supporting demand management
Regulatory Services	2,121	2,184	63	£0.098m Target Operating Model 5% reduction in staffing saving is shown as unachieved, mitigated by overachievement of vacancy factor savings. Savings plans have been drawn up to bring this back into balance during the remaining 3 quarters.
Health and Wellbeing Total	2,509	2,572	63	
Strategic Management Board				
Chief Executive and PAs	130	144	14	Minor variation to budget at Period 3.
Programme Management	30	30	0	No variation to budget at Period 3.
Strategic Management Board Total	160	174	14	
Council Total	255,914	293,504	37,590	

APPENDIX 1B

DETAIL BY SERVICE AREA

Directorate	Revised Budget	Forecast Outturn	Variance
	£	£	£
People	207,318	232,178	24,860
Place	80,984	89,459	8,475
Health and Wellbeing	2,509	2,572	63
Resources	3,307	6,759	3,452
Strategic Management Board	160	174	14
Corporate Budgets	(38,365)	(37,639)	726
Total	255,914	293,504	37,590

PEOPLE	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	207,318,060	232,178,119	24,860,059	R

People Directorate Management	Portfolio Holder Adult Social Care, Public Health and Communities	405,830	3,107,842	2,702,012	R
The £2.702m forecast overspend relates to unachieved savings targets that have been applied organisation wide. £2.589m relates to the "Target Operating Model - 5% reduction in staffing" savings target, £0.103m relates to the "Target Operating Model - Getting Leadership Right" savings target and there is £0.010m reported as unachieved against the "Vacancy Factor" savings target.					
Adult Social Care Business Support and Development	Portfolio Holder Adult Social Care, Public Health and Communities	4,212,950	4,053,601	(159,349)	Y
(£0.159m) forecast underspend within Adult Social Care Business Support. The breakdown of this is as follows <ul style="list-style-type: none"> •+£0.063m overspend relates to GLR unallocated savings currently being worked through. •+£0.114m overspend relates to yet to be made savings within Joint Training. We are in the process of making alternative plans •+£0.016m forecast under-achievement of Client Property income. We are expecting this pressure to reduce •(£0.073m) forecast staffing underspend due to vacancy management •(£0.279m) short term capital funding to cover the costs of transformational posts 					
Adult Social Care Management	Portfolio Holder Adult Social Care, Public Health and Communities	1,236,350	851,142	(385,208)	Y
(£0.385m) forecast underspend within Adult Social Care Management. The breakdown as follows: <ul style="list-style-type: none"> •+£0.024m overspend relates to GLR unallocated savings currently being worked through. •(£0.104m) forecast staffing underspend. All posts are now recruited to so the underspend relates to when the post were vacant in April/May 2023. •(£0.305m) short term capital funding to cover the costs of transformational posts 					
Adult Social Care Provider Services	Portfolio Holder Adult Social Care, Public Health and Communities	4,492,200	5,126,320	634,120	R

Overall Provider Services have a forecast overspend of £0.634m. Broken down as below:

- +£0.048m overspend relates to GLR unallocated savings which is currently being worked through
- +0.067m pressure within Shared Lives. £0.060m relates to un-achievement of rental and Housing Benefit income. This is currently under review. The remaining £0.007m relates to un-achievement of contract reduction savings. This saving will be added to savings elsewhere moving forward so will not show as a pressure in this area.
- +£0.016m overspend on preventative contracts. A group has been set up to review these pressures with the aim to allocating additional funding or reducing contract expenditure to deliver a balanced budget.
- +£0.012m forecast overspend in Internal Day Services which is down to costs of supplies and services increasing.
- +£0.072m overspend on our Internal nursing home, Four Rivers. This is mainly down to having to rely on agency Nursing Staff. We have now recruited permanent posts here which will reduce the on-going pressure. We have also spent more than budget on Hygiene, Catering and Equipment Supplies. Some of the pressures are offset by an over-achievement of income. This pressure has reduced from previous forecast positions.
- +£0.419m forecast overspend in START. This is down to staffing. We have over-recruited within the team and increased wages in order to deal with previously seen high staff-turnover. Although showing as an overspend in this area the impact of not having a fully staffed service is the extra reliance on external providers to deliver care. This is at greater expense and has worse outcomes for the individuals, who often have to access longer-term care when not given the correct support to enable them to go back home. If we continue to see high staff turnover then the expenditure will reduce due to vacancy.

Adult Social Care Operations	Portfolio Holder Adult Social Care, Public Health and Communities	119,634,540	131,097,211	11,462,671	R
-------------------------------------	--	-------------	-------------	------------	---

The overall forecast overspend across Social Care Operations is £11.463m. The purchasing only element of this overspend is £11.322m. The remaining pressure is £0.140m. Below is the detail

Purchasing Only +£11.322m:

- +£10.141m spot purchasing projected overspend. This pressure is split across base budget, where numbers of service users and cost of placements are higher than anticipated at budget setting, but lower than they were as at 1st April, and savings pressures that we are yet to see materialise in full. Continued achievement of savings in this area will reduce numbers and costs so the two go hand in hand when showing the overall position. We have seen an increase in nursing care, highlighting a complexity in people's needs from the community and through the hospital discharge routes. We have also seen more packages of care commissioned within people's homes, meaning the waiting lists have reduced but costs have increased. Work is on-going with the market to manage the increased costs of care. Finally, we have seen further pressures due to the continued need to support hospital discharges and short term care provision which has resulted in higher costs.
- +£2.864m overspend on new and increased supported living packages. This overspend also includes a targeted £1.000m savings target and is driven by the level of complexity of service users' needs. Work is underway to remodel the service to better meet those needs.
- (£2.089m) anticipated over achievement of client contributions to care costs. As per the pressure on expenditure, due to greater number of individuals being supported than budgeted for, we are showing a greater amount of contributions being collected.
- £0.406m current pressure due to the forecasted Continuing Healthcare joint funded packages costs. This is an area subject to change and we continue to work with the NHS where packages should have a joint funded element. We are confident this position will improve through-out the year.

Other variations +£0.140m:

- +£0.159m overspend relates to GLR unallocated savings
- +£0.515m forecast overspend within passenger transport services relating to transport recharges. Within this overspend is a yet to be achieved £0.300m savings. This is being looked at to ensure efficient use of resources.
- +£0.044m overspend on void supported living costs, where the lease costs of a property are not covered by tenants' Housing Benefit income due to the property being empty. Work continues to take place to ensure all voids are occupied as soon as possible and this number continues to reduce. This will also be looked at during the supported living remodelling mentioned above.
- (£0.578m) underspend within the staffing budget due to challenges in recruiting to vacant posts.

Children's Social Care and Safeguarding	Portfolio Holder Children and Education	51,370,600	61,770,528	10,399,928	R
--	--	------------	------------	------------	---

- £0.270m relates to the unachieved "Target Operating Model - Getting Leadership Right" savings target
- £1.376m overspend on staffing due to agency social workers covering staff vacancies, sickness leave and maternity leave (recruitment and retention in children's social work staffing is a nationally recognised issue). This figure includes a £0.388m budget pressure from an additional capacity Social Work Team/Court Team that was brought in temporarily to cope with increased demand. The forecast also includes an assumed £0.867m of posts to be capitalised as working on transformational projects.
- £6.173m overspend on residential and fostering placement costs, with the external residential spot placements forecast budget pressure currently forecast to be £4.055m reflecting 50 external residential spot/framework placements as at the end of June. The

sharp increase in in the number of residential spot/framework placements in 2022/23 means that the number of children in this type of placement far exceeds the budgeted number in 2023/24 although numbers are forecasted to decrease steadily over the remainder of the financial year.

- £1.211m overspend relating to other costs such as transport recharges and taxi costs (£0.353m), legal/barrister fees within the PLO Support Packages budget (£0.343m) and medical assessments, and interpreting fees. These costs have increased in line with the increase in demand.
- £0.721m overspend in the Disabled Children's Team (excluding staffing). £0.327m of this overspend relates to bespoke, short term care packages of prevention and support for disabled children, £0.324m relates to direct payments for disabled children and the remaining £0.070m relates to the commissioning of additional overnight and community short breaks capacity during the year. There has been a significant increase in demand, evidenced by a 300% increase in referrals. As well as an increase in the numbers of children requiring support, there has been an increase in the number of support hours per child, which indicates an increase in complexity.
- £0.346m overspend in the Leaving Care Team (excluding staffing). £0.270m of this overspend relates to accommodation costs for care leavers and allowances paid to care leavers, reflecting an increase in the number of children staying in relatively high cost supported accommodation placements beyond their 18th birthday. The remaining £0.076m relates to discretionary Council Tax relief for care leavers.
- £0.302m overspend in Adoption Services. £0.136m relates to Adoption Allowances, where there has been a significant increase in 2022/23 and 2023/24. £0.181m overspend is forecast against the budget for intra agency adoption placements reflecting the trend across the region of more children being placed with voluntary adoption agencies.

The service is adopting a number of strategies to address the current budget pressures, particularly around residential placements e.g Stepping Stones Project and increasing internal foster care capacity. There is acknowledgement that demand has increased significantly over the last few years so there is emphasis on preventing demand in to the social care system early through family support. This is being progressed through the "Best Start in Life", "Integration" and "Early Help Transformation" projects.

Children's Early Help, Partnerships and Commissioning	Portfolio Holder Children and Education	3,622,020	3,646,846	24,826	G
--	--	-----------	-----------	--------	---

Minor variance from budget as at Quarter 1

Learning and Skills	Portfolio Holder Children and Education	22,343,570	22,524,630	181,060	A
----------------------------	--	------------	------------	---------	---

£0.300m of overspend at Q1 relates to the Home to School Transport budget. The overspends mostly relate to a larger number of routes/journeys paid for, particularly in the SEND Transport budget areas. Areas of forecast overspend include SEND Statutory (£0.212m), Secondary Mainstream Transport (£0.140m) and the Child Fleet budget (£0.071m) reflecting an increase in vehicle hire recharges and staffing costs. This trend continues the budget pressures experienced in 2022/23. The service are confident that the changes put in place regarding TMBSS transport will deliver the £0.202m savings target from the start of the 2023/24 academic year.

Partially offsetting this overspend, there is a forecast underspend of £0.065m within Learning & Skills Business Support relating to the use of capital receipts funding against a post on the basis that this post has been identified as working on a transformational project as a one-off in this financial year. The remaining £0.054m forecast underspend relates to temporary vacancy management savings within various teams.

PLACE	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	80,984,480	89,459,448	8,474,968	R

Director of Place	Portfolio Holder Housing and Assets	(603,770)	770,409	1,374,179	R
--------------------------	--	-----------	---------	-----------	---

Projected overspend of £1.356m relating to undelivered TOM staffing budget turnover and wastage increase by 5% (year -end review) savings, work is being done in year to plan for these savings.

Assistant Director Commercial Services	Portfolio Holder Housing and Assets	62,960	177,539	114,579	R
---	--	--------	---------	---------	---

Projected overspend of £0.111m relating to undelivered Getting Leadership Right savings, work is being done in year to plan for these savings.

Corporate Landlord, Property and Development	Portfolio Holder Housing and Assets	3,253,670	3,193,706	(59,964)	Y
Reserves are being used to offset in year pressures (£0.168m) created from movement of tenants in three operational buildings being Shirehall, Ptarmigan and Mount McKinley. Work is being done in year to fill these vacancies. There is also a current in year pressure at Bishops Castle Business Park (£0.236m) due to low tenancy levels, this is being offset with one off in year savings. Projections are assuming rental income for Guildhall although there is some risk around this being agreed within the timescale required. A further risk to Corporate Landlord is that a large tenant is currently planning a company voluntary arrangement (CVA), projections for rental income are currently being assumed as paid in full for 23/24 however if they obtain the CVA there is a risk amounting to £0.258m for Corporate Landlord.					
Commercial Services Business Development	Portfolio Holder Housing and Assets	101,650	136,091	34,441	G
There is a current projected income shortfall against Business Development schemes due to the Business Development Officer spending significant amounts of time supporting the People directorate to deliver savings in their service areas.					
Climate Change	Deputy Leader and Portfolio Holder Climate Change, Environment and Transport	8,950	539,714	530,764	R
£0.411m relates to a savings target from a previous MTFS that has been transferred from Shire Services. A paper is going to Cabinet/Council in relation to a climate change/ carbon reduction project which will contribute to this saving. Delays in the delivery of the Maesbury Solar Farm project results in a further £0.125m unachieved saving for 23/24. Work is being done to mitigate this.					
Shire Services	Portfolio Holder Housing and Assets	1,667,130	1,717,603	50,473	A
Catering services currently projecting an overspend of £0.048m and Cleaning Services an overspend of £0.003m. (£0.070m) projected staffing restructure part year saving which are projected to be in place from November 2023, £0.010m pressure on rebates offset by the increasing number of Dudley primary school contracts won, current underachievement of management fees £0.041m however 3 new contracts won which will reduce pressure once figures are finalised. Risks around the calculation of holiday pay as can fluctuate based on the number of hours worked by casual staff and mileage spend has been fluctuating in catering due to the work around travelling to sites to secure new contracts (particularly in Dudley).					
Assistant Director Economy & Place	Portfolio Holder Growth and Regeneration	175,730	307,206	131,476	R
Projected overspend of £0.103m relating to undelivered Getting Leadership Right savings, work is being done in year to plan for these savings and cost of office alterations in Darwin Centre.					
Planning Services	Portfolio Holder Planning and Regulatory Services	2,292,710	3,102,210	809,500	R
A reduction in the forecast income for planning applications and land charges (search) income. The number of major Planning Applications submitted in Q1 were 24 which is down from 29 in 22/23 and 30 in 21/22 - this is a trend seen by other Local Authorities.					
Economic Growth	Portfolio Holder Growth and Regeneration	1,435,520	1,375,967	(59,553)	Y
Projected underspend relates to savings on vacancy management.					
Broadband	Portfolio Holder Culture and Digital	189,760	159,048	(30,712)	Y
Staffing savings resulting from a reduction in hours.					
Planning Policy	Portfolio Holder Planning and Regulatory Services	1,038,180	1,038,180	-	Y
No variance from budget at Period 3					
Shrewsbury Shopping Centres (Commercial)	Portfolio Holder Growth and Regeneration	(234,570)	(269,030)	(34,460)	Y
Projected underspend of £0.034m at Period 3 for Shopping Centres (Commercial) mainly due to savings on Rates costs due to ongoing mitigation					

Shrewsbury Shopping Centres (Development)	Portfolio Holder Growth and Regeneration	393,970	582,979	189,009	R
Projected overspend of £0.189m at Period 3 for Shopping Centres Development - this is due to unachievable saving due to slippage on key milestones within the Shrewsbury Town Centre Redevelopment Programme Capital Project including demolition.					
Assistant Director Homes and Communities	Portfolio Holder Housing and Assets	(156,410)	6,230	162,640	R
Projected overspend of £0.198m relating to undelivered Getting Leadership Right savings, work is being done in year to plan for these savings.					
Housing Development and HRA	Portfolio Holder Housing and Assets	109,480	88,911	(20,569)	Y
Minor variance from budget as at Period 3					
Housing Services	Portfolio Holder Housing and Assets	4,299,310	4,674,742	375,432	R
Housing Services have worked hard to reduce the numbers in B&B to under 100, as well as driving down accommodation costs for each placement. Current pressure on B&B and Temporary accommodation is projected to be £0.508m. This work is ongoing alongside a number of temporary accommodation projects in the pipeline. Further to this, costs have been reduced for a range of support services, and a restructure is now planned to deliver staffing efficiencies.					
Bereavement Services	Portfolio Holder Planning and Regulatory Services	(233,800)	(227,137)	6,663	G
Minor variance from budget as at Period 3					
Registrars and Coroners	Portfolio Holder Planning and Regulatory Services	678,540	613,836	(64,704)	Y
There is a projected underspend of £0.065m at Period 3 for Registrars and Coroners. The projected overspend on Shropshire Coroners of £0.044m mainly due to an overspend on services & supplies. Offset against an underspend on Registrars of 0.108m due to increased projected income of £0.279m reduced by some overspends on salaries and service & supplies of £0.171m required to achieve the additional income projected.					
Business and Consumer Protection	Portfolio Holder Planning and Regulatory Services	2,335,690	2,171,536	(164,154)	Y
There is a projected underspend of £0.164m at Period 3 for Business and Consumer Protection, this is due to the current vacancies that are being addressed.					
Head of Culture, Leisure & Tourism	Portfolio Holder Culture and Digital	516,350	517,915	1,565	G
Minor variance from budget as at Period 3					
Culture, Leisure & Tourism Development	Portfolio Holder Culture and Digital	47,550	47,550	-	G
No variance from budget at Period 3					
Shropshire Hills AONB	Portfolio Holder Culture and Digital	82,200	82,200	-	Y
No variance from budget at Period 3					
Outdoor Partnerships	Portfolio Holder Culture and Digital	1,399,010	1,423,661	24,651	G
Minor variance from budget as at Period 3					
Leisure	Portfolio Holder Culture and Digital	2,327,990	2,762,063	434,073	R
The projected overspend in Leisure covers three areas: Inflated running costs of Council managed facilities (£0.157m), increase energy costs of SCLT contract (£0.137m) and income compensation whilst the main pool at The Quarry remains closed, plus other repairs and maintenance issues (£0.166m). CLT Services will address these pressures through delaying recruitment of key staff in the new structure (£0.084m), year one savings from closure of Acton Scott Historic Working Farm (£0.115m), identified reserves (£0.013m), overperformance of income on Theatre Services (£34k) and exploring opportunities to apply grant funding.					
Libraries	Portfolio Holder Culture and Digital	3,657,970	3,672,756	14,786	G

Minor variance from budget as at Period 3					
Museums and Archives	Portfolio Holder Culture and Digital	1,429,550	1,314,744	(114,806)	Y
There is a projected underspend of £0.115m at Period 3 for Museums. This is due to a saving against Acton Scott for the repayment of an I2S not required until next year (£0.154m) offset by reduced projected income for Museum Learning of £0.047m and further variances on staffing £0.008m					
Theatre Services	Portfolio Holder Culture and Digital	379,040	345,359	(33,681)	Y
Combined net income for the Theatre and Old Market Hall slightly better than budget (OMH £0.081m over budget, Theatre Severn £0.115m under budget).					
Assistant Director Highways and Transport	Portfolio Holder Highways and Infrastructure	128,060	302,660	174,600	R
Projected overspend of £0.175m relating to undelivered GLR savings, work is being done in year to plan for these savings					
Environment and Transport	Deputy Leader and Portfolio Holder Climate Change, Environment and Transport	9,055,850	9,313,342	257,492	R
An overspend of £0.217m relates to parking staffing and agency costs attributable to service transformation and the delivery of MTFS savings and continued high street pedestrianisation measures £0.100m with work to reduce this significantly underway offset by in year staffing savings of £0.051m.					
Highways	Portfolio Holder Highways and Infrastructure	11,283,130	11,501,251	218,121	A
Streetworks income lower than forecast due to legislative changes which have significantly limited the council's ability to repeat fine for breaches of permitting conditions £0.339m offset with recharges to capital schemes. Currently on profile to deliver highways service within reduced revenue budget for 2023-24 - this is being achieved by reprofiling the highways maintenance operating model to achieve greater VFM and reduced revenue activities.					
Waste Management	Deputy Leader and Portfolio Holder Climate Change, Environment and Transport	33,863,080	38,016,210	4,153,130	R
Includes £4.125m outstanding Waste PFI saving which is yet to be achieved. Work to devise delivery plans for this saving is continuing with a focus on quantifying what will be achievable in year.					

HEALTH AND WELLBEING	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	2,508,720	2,572,185	63,465	A

Regulatory Services	Portfolio Holder Highways and Regulatory Services	2,120,740	2,184,205	63,465	A
£0.098m Target Operating Model 5% reduction in staffing saving is shown as unachieved, mitigated by overachievement of vacancy factor savings.					
Non Ring Fenced Public Health Services	Portfolio Holder Adult Social Care, Public Health and Communities	60,290	60,290	-	G
No variation to budget at Period 3.					
Ring Fenced Public Health Services	Portfolio Holder Adult Social Care, Public Health and Communities	327,690	327,690	-	G
No variation to budget at Period 3.					

RESOURCES		Full Year			RAGY
		Budget £	Forecast £	Variance £	
Total		3,307,250	6,759,287	3,452,037	R
Resources Management Team	Portfolio Holder Finance and Corporate Resources	(1,906,000)	15,892	1,921,892	R
Savings of £1.000m relating to the review of customer contact teams across the Council, Channel shifting to promote more streamlined and cost-efficient responses, are yet to be confirmed, and are currently considered to be undelivered in year, work is in progress to establish potential savings. Additionally, savings totalling £0.943m relating to the target operating model are considered unlikely to be fully delivered in year, work is underway to identified areas of opportunity.					
Policy and Governance	Portfolio Holder Finance and Corporate Resources	2,400	50,355	47,955	G
Structure savings of £0.067m are not expected to be delivered in year, these are partly offset from vacancy management, alternative savings are being investigated.					
Automation and Technology	Portfolio Holder Culture and Digital	211,330	47,902	(163,428)	Y
Savings have been identified across ICT systems and contract budget, alongside savings from vacancy management.					
Finance	Portfolio Holder Finance and Corporate Resources	2,638,700	3,092,695	453,995	R
There are unachieved savings targets relating to the target operating model improved organisation wide performance management of £0.325m, additionally there are savings totalling £0.200m that may not be achievable within the current financial year, however alternative savings are being investigated. Partly offsetting the unachieved savings are one off in years savings from across supplies and service, and from vacancy management.					
Housing Benefits	Portfolio Holder Finance and Corporate Resources	512,130	1,512,130	1,000,000	R
There is currently expected to be unachieved savings of £1.000m from a reduction in housing benefit subsidy loss from accommodating people in B&B accommodation to prevent homelessness, however solutions are being investigated as to how this can be delivered in year.					
Business Improvement: Data, Analysis and Intelligence	Portfolio Holder Culture and Digital	65,670	74,903	9,233	G
Minor variation to budget at Period 3.					
Human Resources and Organisational Development	Portfolio Holder Finance and Corporate Resources	(58,440)	3,835	62,275	A
There are unachieved savings targets relating to the target operating model improved organisation wide performance management of £0.143m, in addition within the Human Resources Advice Team there are budget pressure from lost income for SLAs relating to maintained schools and unachieved income targets to increase external income generation. Income targets have proven challenging to meet due to loss of resources within the team to support transformation. These are partly offset from planned vacancy management savings, and additional income generation from Health & Safety and Occupational Health Teams.					
Risk Management	Portfolio Holder Finance and Corporate Resources	-	-	-	G
No variation to budget at Period 3.					
Scrutiny	Portfolio Holder Finance and Corporate Resources	99,230	94,390	(4,840)	Y
Minor variation to budget at Period 3.					

Commissioning Development and Procurement	Portfolio Holder Finance and Corporate Resources	19,430	(7,755)	(27,185)	Y
One off savings are expected from a combination of vacancy management and additional income from a contract rebate.					
Legal Services	Portfolio Holder Finance and Corporate Resources	(59,830)	24,643	84,473	A
There has been unexpected staff turnover with Legal Services, this has resulted in the need to cover some vacancies via interim resources at increased cost, these costs have been partly offset by managing other vacancies to maximise in-year savings. There are also unachieved savings targets relating to the target operating model improved organisation wide performance management of £0.064m, and spending reductions on legal disbursements £0.028m.					
Democratic Services	Portfolio Holder Finance and Corporate Resources	194,390	176,639	(17,751)	Y
Minor variation to budget at Period 3.					
Elections	Portfolio Holder Finance and Corporate Resources	566,760	555,009	(11,751)	Y
Minor variation to budget at Period 3.					
Pensions	Portfolio Holder Finance and Corporate Resources	160,560	160,560	0	G
No variation to budget at Period 3.					
Communications & Engagement	Leader and Portfolio Holder Policy and Strategy, Improvement and Communications	860,920	958,088	97,168	A
There are unachieved savings targets relating to the target operating model improved organisation wide performance management of £0.048m, delayed implementation in the channel shift review of customer services of £0.112m, and unachieved savings from CCTV provision of £0.075m, these are partly off-set from vacancy management savings from across the service.					

STRATEGIC MANAGEMENT BOARD	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	160,050	173,986	13,936	G

Chief Executive & PAs	Leader and Portfolio Holder Policy and Strategy, Improvement and Communications	129,770	143,706	13,936	G
Minor variation to budget at Period 3.					
Programme Management	Leader and Portfolio Holder Policy and Strategy, Improvement and Communications	30,280	30,280	-	G
No variation to budget at Period 3.					

CORPORATE BUDGETS	Full Year			RAGY
	Budget £	Forecast £	Variance £	
Total	(38,364,910)	(37,638,994)	725,916	R

Corporate Budgets	Portfolio Holder Finance and Corporate Resources	(38,364,910)	(37,638,994)	725,916	R
--------------------------	---	--------------	--------------	---------	---

At period 3 it is assumed that £2.050m of Organisation Wide TOM savings and £0.214m of PFI savings are unachieved, there are also in year pressures from costs related to external audit fees of £0.037m these are partly offset by combined savings of (£0.120m) against non-distributable costs and corporate subscriptions.

The interest receivable and payable budgets are expected to deliver additional income of (0.114m) due to changes in the Bank of England base rate. The current estimates are based on assumptions of the value of investment balances.

The MRP budget is expected to deliver one-off in year savings of (£1.164m). Of this, (£0.592m) is the result of releasing budget held for potential additional MRP costs from new projects. (£0.572m) is as a result of changes in actual borrowing requirements identified during the 2022-23 closedown.

Savings of (£0.195m) are expected against interest payable budgets, however recent Bank of England base rate increases will have an impact on borrowing rates going forward; i.e. it will be more expensive to borrow. The interest payable budget does not include any new external borrowing. The interest payable budget includes the current fixed term debt charges only.

APPENDIX 1C

2022/23 PROJECTED REVENUE OUTTURN BY PORTFOLIO HOLDER

Portfolio Holder	Revised Budget*	Forecast Outturn	Variance
	£'000	£'000	£'000
Portfolio Holder Adult Social Care, Public Health and Communities	130,370	144,624	14,254
Portfolio Holder Children and Education	77,336	87,943	10,606
Deputy Leader and Portfolio Holder Climate Change, Environment and Transport	42,928	47,869	4,941
Portfolio Holder Finance and Corporate Resources	-36,196	-31,961	4,235
Portfolio Holder Housing and Assets	8,734	10,765	2,031
Portfolio Holder Planning and Regulatory Services	8,232	8,883	651
Portfolio Holder Highways and Infrastructure	11,411	11,804	393
Portfolio Holder Growth and Regeneration	1,771	1,997	226
Portfolio Holder Culture and Digital	10,306	10,448	142
Leader and Portfolio Holder Policy and Strategy, Improvement and Communications	1,021	1,132	111
Total	255,914	293,504	37,590

APPENDIX 2

2023/24 INCOME PROJECTIONS

Specific Government Grants

The revenue budget for 2023/24 includes specific Government Grants of £258.988m. The majority of these budgets will be based on known allocations that the Government has announced for Shropshire Council. However during the course of the financial year, the Council will also bid for additional grant funding to support activities and so the value of Government Grants received in the financial year may be different to the budgeted figure. An analysis of specific Government Grants is provided in the table below:

Government Grants		Revised Budget £'000	Forecast Outturn £'000	Variance £'000
People				
	Dedicated Schools Grant	(110,599)	(110,599)	0
	Pupil Premium Grant	(7,186)	(7,186)	0
	Asylum Seekers	(1,995)	(2,926)	(931)
	Improved Better Care Fund	(1,967)	(1,967)	0
	Adult Social Care Discharge Fund	(1,663)	(1,663)	0
	Other Grants**	(6,171)	(2,637)	3,534
	Total People Grants	(129,581)	(126,978)	(2,603)
Place				
	Waste - PFI	(3,186)	(3,186)	0
	Homes for Ukraine	(1,376)	(1,387)	(11)
	Other Grants	(3,732)	(5,820)	(2,088)
	Total Place Grants	(8,294)	(10,393)	(2,099)
Health and Wellbeing				
	Public Health Grant	(13,192)	(13,192)	0
	Other Grants	(216)	(1,340)	(1,124)
	Total Health and Wellbeing Grants	(13,408)	(14,532)	(1,124)
Resources				
	Mandatory Rent Allowances: Subsidy	(38,000)	(38,000)	0
	Rent Rebates: Subsidy	(7,902)	(7,902)	0
	Other Grants	(815)	(801)	14
	Total Resources Grants	(46,717)	(46,703)	14
	Strategic Management Board	0	0	0
Corporate Budgets				
	Social Care Support Grant	(21,547)	(21,547)	0
	Business Rate Retention Scheme – s31 Grants	(21,521)	(21,521)	0
	Improved Better Care Fund	(9,896)	(9,896)	0
	Rural Service Delivery Grant	(7,757)	(7,757)	0
	Market Sustainability and Fair Cost Fund	(3,264)	(3,264)	0
	Core Spending Power Services Grant	(2,066)	(2,066)	0
	New Homes Bonus	(1,748)	(1,748)	0
	Other Grants	(1,523)	(1,523)	0
	Total Corporate Budgets	(69,322)	(69,322)	0
	TOTAL	(267,322)	(267,927)	(605)

Income from Fees and Charges

The forecast income from discretionary sales, fees and charges is showing a projected shortfall, mainly relating to trading income and rental income within Commercial Services.. Further work will be undertaken within these services to generate additional income to offset these projected shortfalls, or expenditure will be reduced accordingly.

Fees and Charges Income	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
People			
Directorate Management	0	0	0
Adult Social Care Management	0	0	0
Adult Social Care Business Support & Development	(1,437)	(1,370)	67
Adult Social Care Provider Services	(207)	(186)	21
Adult Social Care Operations	(39)	(1)	38
Children's Social Care and Safeguarding	0	0	0
Children's Early Help, Partnerships and Commissioning	0	(3)	(3)
Learning and Skills	(1,477)	(1,668)	(191)
People Total	(3,160)	(3,228)	(68)
Place			
Directorate Management	0	0	0
Commercial Services	(10,427)	(9,830)	597
Economy and Place	(3,977)	(3,922)	55
Homes and Communities	(9,689)	(9,994)	(305)
Infrastructure	(9,507)	(9,497)	10
Place Total	(33,600)	(33,243)	357
Health and Wellbeing			
Directorate Management	0	0	0
Public Health - Non Ringfenced	(159)	(125)	34
Public Health - Ringfenced	(1,047)	(1,000)	47
Health and Wellbeing Total	(1,206)	(1,125)	81
Resources			
Directorate Management	0	0	0
Workforce and Improvement	(559)	(410)	149
Finance and Technology	(1,672)	(1,639)	33
Legal and Governance	(116)	(124)	(8)
Communications and Engagement	(170)	(91)	79
Pensions	(21)	(21)	0
Resources Total	(2,538)	(2,285)	253
Strategic Management Board	0	0	0
Corporate Budgets	0	0	0
TOTAL	(40,504)	(39,881)	623

APPENDIX 3

DELIVERY OF 2023/24 SAVINGS PROPOSALS

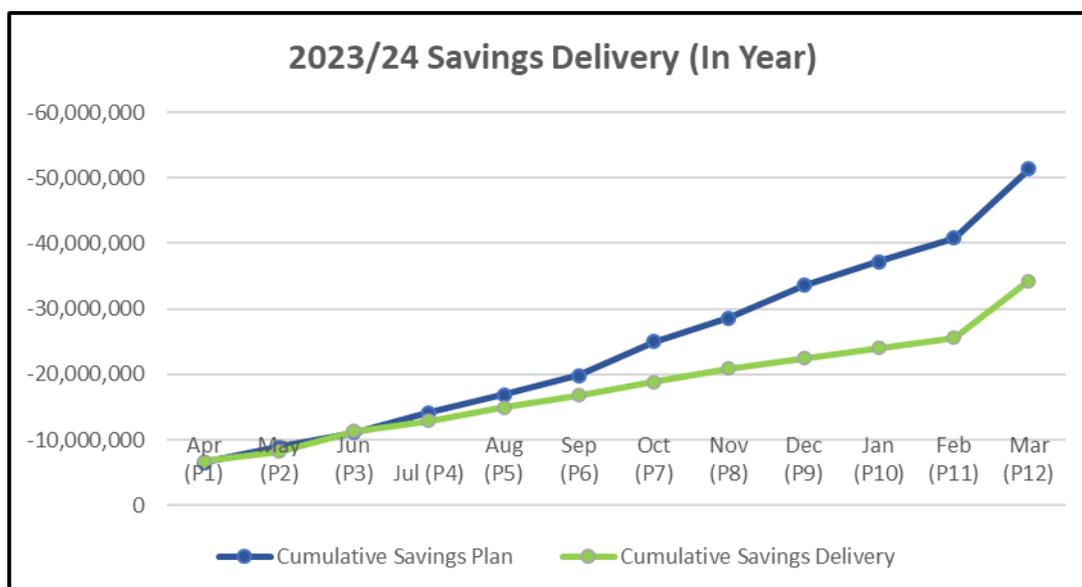
2.1 Summary

The savings projections for 2023/24 are being tracked monthly with savings delivery being mapped against projected delivery during the course of the year.

The table below summarises the position as at 30th June 2023.

Directorate	Delivered	Savings Still to be Delivered	Total (£'000)
	(£'000)	(£'000)	
People	(17,364)	(4,091)	(21,455)
Place	(10,168)	(6,623)	(16,791)
Health and Wellbeing	(515)	(138)	(653)
Resources	(1,938)	(4,089)	(6,027)
Corporate Budgets	(4,200)	(2,264)	(6,464)
Total Savings	(34,185)	(17,205)	(51,390)

The graph below plots the cumulative savings plan and cumulative savings delivery over the Financial Year.



Details of the 5 highest value savings rated red are provided below. These are tracked monthly and reported at every monitoring period against their original delivery profile.

Ref	Directorate	Service Area	Description	2023/24 Saving Value (£'000)	Value Still to be Delivered (£'000)
EFF44	Place	Waste Management	Review PFI contract costs to secure greater efficiency	(4,286)	(4,125)

Transformation & Improvement Scrutiny 4th September 2023; Cabinet 6th September 2023: Financial Monitoring
Report Quarter 1 2023/24

EFF101	People	People Directorate Management	Target Operating Model – staffing budget turnover and wastage increase by 5% (year-end review)	(2,589)	(2,589)
EFF103	Corporate Budgets	Corporate Budgets	Target Operating Model – Transformation partner delivers 4 x end-to-end process reviews yielding £0.5m per project.	(2,000)	(2,000)
EFF101	Place	Place Directorate Management	Target Operating Model – staffing budget turnover and wastage increase by 5% (year-end review)	(1,356)	(1,356)
EFF78	Resources	Communications	Review of customer contact teams across the Council – Channel shifting to promote more streamlined and cost-efficient responses.	(1,112)	(1,112)

APPENDIX 4

RECONCILIATION OF MONITORING PROJECTIONS TO SAVINGS DELIVERY

Directorate / Service	Q1 Forecast	Savings Pressure in 2023/24	Ongoing Pressures Identified	Additional Ongoing Savings Identified	One Off Pressures Identified	One off Savings Identified
	£'000	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
People						
Directorate Management	2,702	2,718	-	-	-	(16)
Adult Social Care	11,552	794	7,677	-	5,986	(3,160)
Children's Social Care and Safeguarding	10,400	270	5,300	-	7,758	(2,928)
Children's Early Help, Partnerships and Commissioning	25	56	-	-	61	(92)
Learning and Skills	181	-	-	-	300	(119)
People Total	24,860	4,092	12,977	-	14,106	(6,315)
Place						
Directorate Management	1,374	1,364	-	-	10	-
Commercial Services	669	111	-	-	1,026	(468)
Economy and Place	1,005	306	-	-	838	(139)
Homes and Communities	622	542	720	-	568	(1,208)
Highways and Transport	4,802	4,299	339	-	285	(121)
Place Total	8,472	6,622	1,059	-	2,727	(1,936)
Health and Wellbeing						
Public Health	-	-	-	-	3,377	(3,377)
Regulatory Services	63	138	-	-	84	(158)
Health and Wellbeing Total	63	138	-	-	3,461	(3,495)
Resources						
Directorate Management	1,922	1,924	-	-	-	(2)
Workforce and Improvement	71	143	5	-	26	(103)
Finance and Technology	1,291	1,625	-	-	110	(444)
Legal and Governance	74	162	-	-	294	(382)

Transformation & Improvement Scrutiny 4th September 2023; Cabinet 6th September 2023: Financial Monitoring
Report Quarter 1 2023/24

Pensions	-	-	-	-	-	-
Communications and Engagement	97	235	-	-	234	(372)
Resources Total	3,455	4,089	5	-	664	(1,303)
Strategic Management Board						
Chief Executive and PAs	14	-	-	-	14	-
Programme Management	-	-	-	-	-	-
Strategic Management Board Total	14	-	-	-	14	-
Corporate Budgets	726	2,264	-	-	55	(1,593)
TOTAL	37,590	17,205	14,041	-	21,026	(14,682)

APPENDIX 5

AMENDMENTS TO ORIGINAL BUDGET 2023/24

£'000	Total	People	Place	Health & Wellbeing	Resources	Strategic Management Board	Corporate
Original Budget as Agreed by Council	255,914	215,106	78,460	2,707	4,577	55	(44,991)
Structure Changes:							
<u>Quarter 1</u>							
Housing Services	0	(85)	85				
Virements:							
<u>Quarter 1</u>							
Reallocation of Organisation wide savings to service areas	0	(3,312)	(1,952)	(199)	(1,269)	105	6,627
Corporate Landlord Recharges	0	(20)	20				
Quarter 1 Revised Budget	255,914	211,689	76,613	2,508	3,308	160	(38,364)

APPENDIX 6

RESERVES 2023/24

General Fund

The General Fund reserve at 31st March 2023 stood at £7.093m, significantly below its optimum desired balance.

The 2023/24 budget strategy included a contribution of £19.868m to the General Fund balance which would then reach £26.961m, which is a safer level given the current profile of financial risks.

It is anticipated that one off resources will be identified to offset pressures in year while longer term sustainable demand management plans are in place. This will include the review and release of earmarked reserves and a review of grant balances received to try to utilise funds to offset the one off pressures within Social Care. Without the use of these one off funds, and continued action to deliver the savings programme, the General Fund would be totally depleted.

It is essential that the Council maintains the General Fund Balance as assumed within the Medium term Financial Strategy, otherwise it would limit the ability of the council to mitigate any further unforeseen shocks such as ongoing inflationary increases, climate events such as flooding and drought, or rapid reductions in available resources due to changed national policy.

Independent advice is that General Fund un-earmarked reserves should equate to 5%-10% of next spending.

General Fund	£'000
Balance as at 1 st April	7,093
Budgeted Contribution	19,868
Budgeted Balance before impact of in-year monitoring position	26,961

Earmarked Reserves

The Council held balances of £42.092m (excluding School Balances) in Earmarked Reserves as at 1st April 2023. There are a number of transactions planned from earmarked reserves during the course of the year. The current projections for the year end balance in earmarked reserves is detailed in the table below. It is also anticipated that the remaining balance of £33m will be reviewed with a view to releasing funds to offset known pressures arising (primarily in Social Care) if demand management plans can not be realised within the year.

Earmarked Reserves	1st April 2023 £'000	Forecast Net Contribution to/from Reserve £'000	31st March 2024 £'000
Sums set aside for major schemes, such as capital developments, or to fund major reorganisations	14,747	(2,441)	12,306
Insurance reserves	3,636	(495)	3,141
Reserves of trading and business units	0	0	0
Reserves retained for service departmental use	21,583	(5,625)	15,959
Reserves held for schools	2,126	(204)	1,921
Total	42,092	(8,765)	33,327

APPENDIX 7

PROJECTED CAPITAL PROGRAMME OUTTURN 2023/24 – 2025/26

The capital budget for 2023/24 is continuously being monitored and changed to reflect the nature of capital projects which can be profiled for delivery over several years. In Quarter 1 there has been a net budget increase of £29.478m for 2023/24, compared to the reported at 2022/23 outturn position. The tables below summarise the overall movement, between that already approved and changes for Quarter 1.

Directorate	Initial Budget 2023/24 £	Budget Virements Quarter 1 £	Revised Budget (Current Period - 1) £	Virements Current Period £	Revised Budget as at Current Period £	Outturn Projection £	Outturn Projection Variance £	2024/25 Revised Budget £	2025/26 Revised Budget £
General Fund									
Health & Wellbeing	0	0	0	0	0	0	0	0	0
People	16,190,011	1,527,860	17,717,871	4,533,718	17,717,871	17,717,871	0	16,577,384	7,399,000
Place	77,053,801	20,356,204	97,410,005	2,380,060	97,410,005	97,410,005	0	78,182,812	35,575,736
Resources	1,000,000	42,361	1,042,361	0	1,042,361	1,042,361	0	0	0
Total General Fund	94,243,812	21,926,425	116,170,237	6,913,778	116,170,237	116,170,237	0	94,760,196	42,974,736
Housing Revenue Account	20,475,256	7,501,251	27,976,507	3,108,459	27,976,507	27,976,507	0	15,121,612	13,312,819
Total Approved Budget	114,719,068	29,427,676	144,146,744	10,022,237	144,146,744	144,146,744	0	109,881,808	56,287,555

Portfolio Holder	Initial Budget 2023/24 £	Budget Virements (Current Period - 1) £	Revised Budget (Current Period - 1) £	Virements Current Period £	Revised Budget as at Current Period £	Outturn Projection £	Outturn Projection Variance £	2024/25 Revised Budget £	2025/26 Revised Budget £
General Fund									
Adult Social Care, Public Health and Communities	6,854,000	101,338	6,955,338	4,040,433	6,955,338	6,955,338	0	5,349,000	4,149,000
Growth, Regeneration and Housing	7,532,088	2,473,971	10,006,059	10,050	10,006,059	10,006,059	0	6,617,520	4,291,793
Deputy Leader, Climate Change, Environment and Transport	0	0	0	0	0	0	0	325,000	0
Children and Education	13,785,011	83,743	13,868,754	3,008,791	13,868,754	13,868,754	0	11,228,384	3,250,000
Finance and Corporate Resources	0	0	0	0	0	0	0	0	0
Housing and Assets	33,727,519	20,088,951	53,816,470	3,527,331	53,816,470	53,816,470	0	27,904,731	15,013,819
Culture and Digital	8,654,657	1,230,605	9,885,262	118,475	9,885,262	9,885,262	0	7,225,173	2,170,943
Highways and Infrastructure	23,690,537	-2,052,183	21,638,354	-3,791,302	21,638,354	21,638,354	0	36,110,388	14,099,181
Leader, Policy and Strategy, Improvement and Communications	0	0	0	0	0	0	0	0	0
Planning and Regulatory Services									
Total General Fund	94,243,812	21,926,425	116,170,237	6,913,778	116,170,237	116,170,237	0	94,760,196	42,974,736
Housing Revenue Account									
Housing and Assets (HRA)	20,475,256	7,501,251	27,976,507	3,108,459	27,976,507	27,976,507	0	15,121,612	13,312,819
Total Approved Budget	114,719,068	29,427,676	144,146,744	10,022,237	144,146,744	144,146,744	0	109,881,808	56,287,555

	Initial Budget 2023/24 £	Budget Virements (Current Period - 1) £	Revised Budget (Current Period - 1) £	Virements Current Period £	Revised Budget as at Current Period £	Outturn Projection £	Outturn Projection Variance £	2024/25 Revised Budget £	2025/26 Revised Budget £
General Fund									
Health & Wellbeing	0	0	0	0	0	0	0	0	0
People	16,190,011	1,527,860	17,717,871	4,533,718	17,717,871	17,717,871	0	12,428,384	3,250,000
Unallocated School Capital	9,744,008	-3,941,209	5,802,799	-2,049,792	5,802,799	5,802,799	0	8,228,384	3,250,000
Non Maintained Schools Capital	2,504,877	-1,997,227	507,650	2,747,528	507,650	507,650	0	2,000,000	0
Adult Social Care Operations Capital	2,405,000	1,444,117	3,849,117	1,524,927	3,849,117	3,849,117	0	1,200,000	0
Primary School Capital	1,501,246	4,883,323	6,384,569	2,067,690	6,384,569	6,384,569	0	1,000,000	0
Secondary School Capital	21,800	706,391	728,191	236,567	728,191	728,191	0	0	0
Special Schools Capital	13,080	39,340	52,420	6,798	52,420	52,420	0	0	0
Adult Social Care Contracts & Provider Capital	0	0	0	0	0	0	0	0	0
Children's Residential Care Capital	0	393,125	393,125	0	393,125	393,125	0	0	0
Place Capital - Commercial Services	12,703,304	5,530,389	18,233,693	418,872	18,233,693	18,233,693	0	12,783,119	1,701,000
Corporate Landlord Capital	12,703,304	5,530,389	18,233,693	418,872	18,233,693	18,233,693	0	12,783,119	1,701,000
Place Capital - Economic Growth	11,081,047	3,669,490	14,750,537	10,050	14,750,537	14,750,537	0	8,190,676	4,371,738
Economic Growth Capital	7,296,019	2,176,364	9,472,383	0	9,472,383	9,472,383	0	6,496,020	4,251,293
Broadband Capital	3,000,000	785,519	3,785,519	0	3,785,519	3,785,519	0	1,573,156	79,945
Planning Policy Capital	548,959	410,000	958,959	0	958,959	958,959	0	0	0
Development Management Capital	236,069	297,607	533,676	10,050	533,676	533,676	0	121,500	40,500
Place Capital - Homes & Communities	4,654,657	402,725	5,057,382	118,475	5,057,382	5,057,382	0	5,652,017	2,090,998
Leisure Capital	4,454,657	231,332	4,685,989	0	4,685,989	4,685,989	0	5,357,237	2,067,303
Outdoor Partnerships Capital	200,000	75,818	275,818	0	275,818	275,818	0	200,000	0
Libraries Capital	0	118,475	118,475	118,475	118,475	118,475	0	94,780	23,695
Visitor Economy Capital	0	-22,900	-22,900	0	-22,900	-22,900	0	0	0

	Initial Budget 2023/24 £	Budget Virements (Current Period - 1) £	Revised Budget (Current Period - 1) £	Virements Current Period £	Revised Budget as at Current Period £	Outturn Projection £	Outturn Projection Variance £	2024/25 Revised Budget £	2025/26 Revised Budget £
Place Capital - Infrastructure	44,165,793	5,449,068	49,614,861	-682,843	49,614,861	49,614,861	0	51,557,000	27,412,000
Highways Capital	44,165,793	5,449,068	49,614,861	-682,843	49,614,861	49,614,861	0	51,232,000	27,412,000
Waste Capital	0	0	0	0	0	0	0	325,000	0
Place Capital - Housing Services	4,449,000	5,304,532	9,753,532	2,515,506	9,753,532	9,753,532	0	4,149,000	4,149,000
Housing Services	4,449,000	5,304,532	9,753,532	2,515,506	9,753,532	9,753,532	0	4,149,000	4,149,000
Resources	1,000,000	42,361	1,042,361	0	1,042,361	1,042,361	0	0	0
ICT Digital Transformation - Unallocated Capital	1,000,000	41,785	1,041,785	-576	1,041,785	1,041,785	0	0	0
ICT Digital Transformation - CRM Capital	0	576	576	576	576	576	0	0	0
Total General Fund	94,243,812	21,926,425	116,170,237	6,913,778	116,170,237	116,170,237	0	94,760,196	42,974,736
Housing Revenue Account	20,475,256	7,501,251	27,976,507	3,108,459	27,976,507	27,976,507	0	15,121,612	13,312,819
HRA Dwellings Capital	20,475,256	7,501,251	27,976,507	3,108,459	27,976,507	27,976,507	0	15,121,612	13,312,819
Total Approved Budget	114,719,068	29,427,676	144,146,744	10,022,237	144,146,744	144,146,744	0	109,881,808	56,287,555

APPENDIX 8

PROJECTED CAPITAL RECEIPTS

Capital receipts are a source of capital funding, often preferred to other sources which are focused on specific objectives (e.g. grants, match funding, developer contributions), or which bear a cost (e.g. external borrowing).

In recent years, performance securing capital asset sales in recent years has been strong, with a balance brought into the 2023/24 of £17.5m (see [Shropshire Council Outturn report, 2022/23](#), para 15.3). However, the current financial challenge places a clear emphasis on realising asset sales (to boost reserves and support capital investment) at the same time as rationalising the overall property base of the Council – they are two sides of the same coin.

The current capital programme assumes use of £12m of capital receipts in the current year, although this could be replaced by borrowing to help improve the balance sheet position. Where additional capital receipts can be realised, these will help support investment and improve the financial sustainability of the council.

Assets currently being considered for disposal total £50.181m.

Further to the significant pressure on the realisation of capital receipts to finance the already approved capital programme, in the 2023/24 financial year there is the intention to utilise the statutory flexible use of capital receipts to finance transformation projects and so deliver revenue budget savings. At present the capital receipt projections included the provision to utilise £2.974m to fund revenue budget savings already identified in the Medium-Term Financial Strategy (MTFS).

APPENDIX 9

FINANCIAL MANAGEMENT INDICATORS

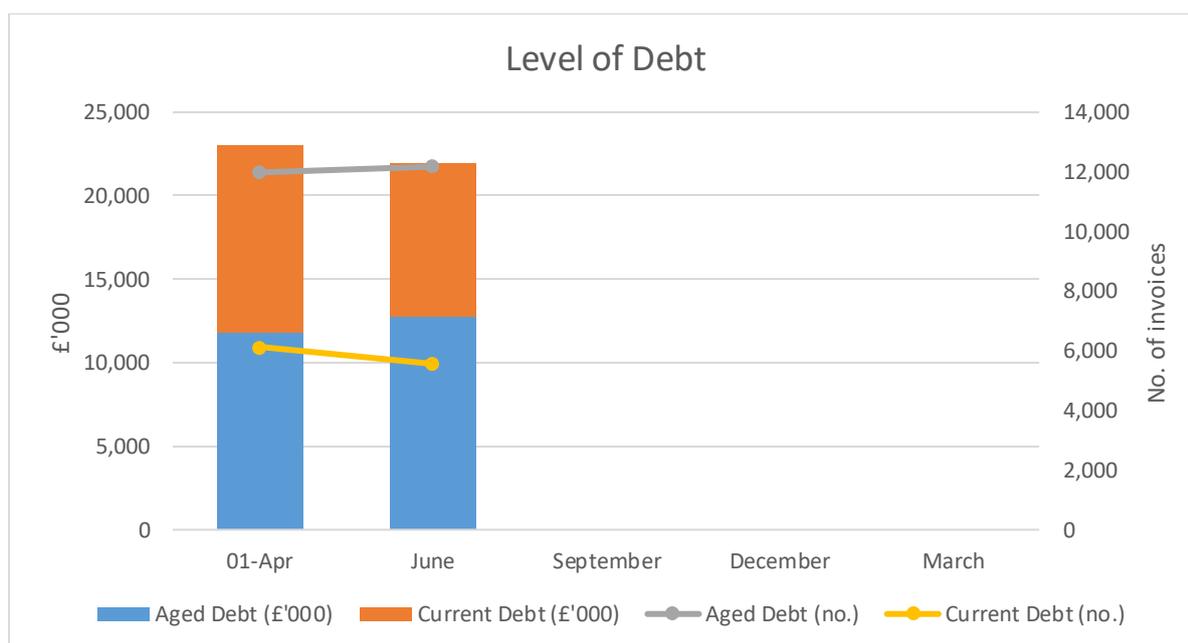
The two financial indicators detailed below will be tracked during the course of the financial year to provide assurance on the Council's financial management processes.

Payment of Invoices

April – June 2023	% of Invoices	No. of invoices
Paid within 30 days	77	15,821
Invoices not paid within 30 days	23	4,823
Total	100	20,644

Aged debt

As at 30 th June 2023	Value (£'000)	No. of invoices
Aged Debt	12,725	12,177
Current Debt	9,214	5,564
Total	21,939	17,741



The payment of invoices indicator demonstrates that the Council is paying 75% of invoices to suppliers within 30 days. This indicator has decreased from 2022/23. Ideally, invoices should be raised for payments due to the council within 30 days, and purchase orders for all new supplies should be raised ahead of delivery. Statistics on late submission of invoices and production of retrospective orders are produced for senior managers.

The value of aged debt has increased marginally but the number of invoices that this relates to has reduced since the start of the financial year. This does remain significantly high and the effects of cost of living are impacting on the level of debt held. Focussed action is being taken across the authority to improve debt recovery.