

# Business Plan and Financial Strategy 2014 - 2017



Our customers are at the centre of everything we do

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## Foreword from Keith Barrow – Leader of Shropshire Council

**We have all become accustomed to seeing doom-laden news about how Councils across the UK are facing up to tough times. It would be very easy for me to talk about how hard things are for Shropshire Council. Instead, as Leader, I'm here to tell you about the true picture for our county and how we propose to tackle the challenges we face responsibly, creatively and with a passion for what matters most.**

This is our Business Plan and Financial Strategy for the next three years. It's a complete break from the past. This is a place where you can find information about how this council is increasingly thinking and working as a business, redesigning everything it does, putting customer needs first and foremost.

Instead of artificial set piece debates in the council chamber, we want to take this plan forward by involving people every step of the way as change happens. This means sharing options with you, talking about the choices we will face and involving you when we make decisions.

We set out our priorities here - to help grow and protect our beautiful county and those who live, work and visit it. To deliver these priorities, Cabinet, Scrutiny Members and Council Managers are working as a team to invest scarce resources where they can make the biggest impact.

Instead of a roll forward budget, this year we've been business planning on a zero based approach, making no assumptions about status quo. That's how I want us to move forward in future, carefully choosing where to invest to make the most impact for people and priorities with greatest need. I didn't become a Councillor to make cuts. Like all the talented people who work for and support Shropshire Council, I sought election so I can make a difference, helping Shropshire become a thriving, successful county, full of people who can make the most of their lives. I believe this means completely changing the way every part of the Council works, reinventing everything we do so it's genuinely built around the needs of our customers, rather than getting bogged down in bureaucracy and processes.

We are already working in new ways - using ip&e, our wholly owned company to trade some of our great services across the public sector, creating public profit that then gets ploughed back into the county to invest in what we do for our residents. So, instead of 'externalising' or 'outsourcing' services, through ip&e we believe we can keep cash in Shropshire and, by winning business outside the county, help protect jobs here.

I am incredibly proud to be from Shropshire and I know the changes we've made in this plan give us all good reason to be, so take a look at our plan, get involved in shaping our county and play your part in making it a place where we can all continue to be proud, now and for generations to come.

## The context we find ourselves in

**Shropshire is on the cusp of building a profoundly different relationship between public services and customers. The council is responding to a once in a lifetime, irreversible shift in funding by redesigning everything we do resulting in better and more responsive services at a lower cost.**

The context for this is simple. Demographic and financial pressures mean that continuing to deliver the status quo is impossible, even if we wanted to. Conventional approaches to squeezing more and more efficiency out of the same old systems can't keep pace with the increasing costs of an aging population, let alone factoring in the impact of increasing demand for complex, high cost care.

At the same time, we believe Shropshire's economy has massive potential to be unleashed. We're already a hub for creative businesses and people with bright ideas. By seizing opportunities for investment, building world-class education for our young people, and for learning throughout life, we want to kick-start a new entrepreneurial revolution in the County, creating many wide ranging employment opportunities in the short and longer term, retaining talent and skills in Shropshire.

Our approach puts the role of elected members as community leaders at the heart of this, representing customers, seeking out and championing their voice, making sure their perspective is central to everything we do. We'll give people as much say as possible in making choices about their future, focusing on prevention and thus reducing later, higher cost activity whenever we can.

The council is changing how it works to become a commissioner rather than direct deliverer of services. Our draft commissioning strategy sets out how this will focus on delivering outcomes for our customers, based on need. This means future relationships with customers and communities will be to engage, listen and understand need, and then commission from organisations that will deliver outcomes.

Our approach to commissioning starts with how we support our children to get the best possible outcomes from education, and help all our young people go to great schools and to get the most from this experience. As schools become more self-governing, our role will be to champion the interests of children as they grow up, helping them to realise their full potential, giving them the best range of options for the rest of their lives. Strong, high quality Further and Higher Education is crucial part of this too. In particular we want to strengthen Higher Education in the county through a new university, complementing and working alongside colleges already in Shropshire, anticipating and helping to shape the county's economy. This, in turn will develop a skilled workforce, higher wage levels and increasing prosperity for Shropshire.

Our county is documented as being one of the safest places to live in the country and we will work hard to ensure this continues to be the case. Due to a variety of elements including better public awareness of safeguarding and child protection issues, increasing numbers of Shropshire children are being referred to social services. Costs of placements in the 13-17 age group are also rising and numbers of

young people with learning difficulties becoming young adults will almost double in the next three years. Like any good parent though, we want all our looked after children to benefit most from the opportunities on offer – educational, economic and in terms of a supportive family environment.

Shropshire benefits massively from its active, experienced and engaged older population. We have more older people than average in England (20.7% of the population are aged 65 and over, compared with 16.4% for England and Wales, Census 2011), and the over 65s are growing faster than elsewhere (23.8% compared with 10.9% for England and Wales, Census 2001-2011)

Our voluntary sector is one of the strongest and most capable in the UK, partly due to this injection and availability of expertise. It's changing though with fewer long term volunteers and more people looking to the sector to provide work experience to help them get into permanent work. Recognising this, we're working with communities, and with the voluntary sector to develop their capacity to do as much as possible for themselves.

The flip side to this is that 1 in 20 adults receive some form of care. That's 16,000 people in the county, most of whom have health conditions and associated needs. Supporting these are over 34,000 informal, unpaid carers, just 1 in 10 of whom are, in turn, supported by the Council. We have increasing numbers of people with dementia and other conditions needing complex care, particularly in the over 85s.

Responding to these pressures, our approach is to give people – service users and carers alike, as much say as possible in purchasing the support they require. We want to promote self-support and independence wherever possible to reduce reliance on funded services. Our overall intention is to help people not to use adult social

care services at all, or if eligible, to meet their needs as quickly and efficiently as possible.

To help be as efficient as possible we're fundamentally rethinking how all our support functions (like HR, Finance, IT) work. In partnership with ip&e, we are designing the right infrastructure for the council's future needs. We want this to be the best so we can sell to other organisations within and beyond Shropshire, bringing cash back into the county. We are zero based budgeting, starting with no assumptions about what we currently do, building investment on the basis of outcomes. We are accelerating the move of services online with a digital first approach giving easier and cheaper access to information and services.

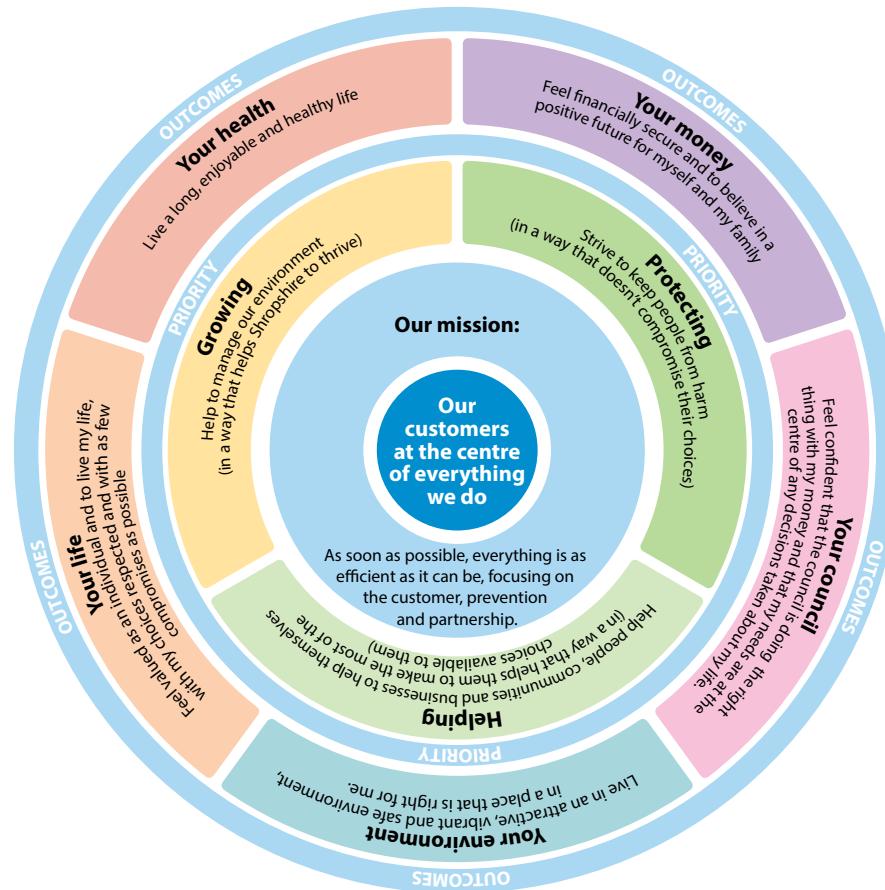
Shropshire has over 3170 miles of highways and one of its biggest challenges is ensuring their maintenance to keep communities connected. The highways asset includes bridges, streetlights, roads, culverts, retaining walls and drainage systems worth £4 Billion and therefore needs a cost effective strategy to maintain.

We want to sell or otherwise dispose of all our legacy of inefficient buildings. Instead of expensive buildings that are no longer fit for purpose or needed by the new council, like Shirehall, we will prioritise the buildings we and our customers need and will use in an increasingly online future.

We want to use ip&e to create new businesses to meet future needs, where necessary through partnership, always retaining a controlling interest and keeping any profit within Shropshire to reinvest in public services. Early signs are this is an exciting offer for many other councils and commissioning organisations looking for partner organisations that share their public service values.

# Council Priorities

As a council, we are focusing on delivering better outcomes for our customers. Everything we undertake should work towards fulfilling one or more of these outcomes, with an emphasis on ensuring that our priorities are delivered. This is summarised in Figure 1 below, and forms the backdrop for delivering the Council’s Medium Term Financial Plan over the next three years.



## Listening to our customers

**Our priority is to design our new services so that they focus on customer needs. To do this we have to understand our customers better than ever before.**

We are working with communities to explore different ways of designing and delivering services. Through our Local Commissioning approach we've recognised that we need to redesign everything we do as an organisation in ways that take full account of what's already happening in each community, and on understanding customer needs as the basis for what we, and others do instead. So, rather than a 'we know best' one-size fits all approach, everything we redesign from now on starts with, and builds on this insight.

Through this approach, we work with a range of local people and partner organisations, using statistical data, financial information and crucially people's real-life stories about life and their experiences. This is then used as a resource by local Shropshire Councillors, other key local leaders and agencies to redesign what happens to make more sense from the perspective of local people, stripping out waste, duplication and cost. Any commissioning that results from redesign will aim to keep money and jobs as local as possible, recognising the importance of this to the economy and health of our communities.

A critical part of our new approach will then be evaluating the impact of commissioned services on the problems they are designed to address. Reviewing these and seeking to constantly improve and reinvent what we commission will be key to our ongoing approach.

In Church Stretton for instance, this has already resulted in redesign of how older people are supported to live independent lives, for as long as possible, and in getting long term unemployed people back to work. In both cases, taking a whole community perspective has meant understanding and maximising the resource of voluntary and community based organisations, and tapping into the immense experience from local people themselves. The end result will be substantial savings to the council and other public service organisations, at the same time as improved outcomes for local people.

## Redesigning everything we do: Local Commissioning case study

### Discovery Centre

The Shropshire Hills Discovery Centre has been run by Shropshire Council since 2001 as a visitor attraction, information centre, library and gateway to the outstanding landscape and local area. It is currently operating at a significant loss and costing the Council over £120,000 pa to run.

As part of our local commissioning approach, local elected members, working with the community have led development of a radical new approach, keeping what's best about the centre, reinforcing its role in tourism and turning it into a genuine asset for local businesses.

The new plans see it run as a training centre for food-related employment, a leisure resource for local people and a visitor attraction that makes links between the high quality landscape and great locally sourced food, ploughing even more visitor spend back into the economy.

By transferring ownership to the South Shropshire Housing Association, the centre will be run by their partner – Grow, Cook, Learn. They will offer training in food related industries, creating and supporting local jobs. The library will move to the Craven Arms Community Centre and be managed by the South Shropshire Furniture Scheme as the first community library in Shropshire. The Customer Service Point will move to the Gateway centre and continue to be managed by Shropshire Council.

These changes will save over £100,000 pa at the outset and, by generating more income to the local economy, make a much bigger impact in the long-run.



As well as intensive re-design work with specific communities, effective two way communication is key to building knowledge and understanding. That's why we have put in place a range of ways to talk to our customers and to listen to what they have to say:

- People can email us, call, write or visit one of our customer service points. They can visit our website and complete an online report form or join in an online conversation
- They can use one of our many social media channels – to ask a question on Twitter or Facebook , or comment on one of our You Tube channels
- We hold a wide range of public meetings at which people can find out more and have their say. This year we're looking at how we can get more value from these, building on local joint committees
- People can call or email their local councillor or the appropriate Cabinet member, to ask a question or pass on a comment.
- The latest news from the Council can be found on our online Newsroom, Twitter feed and in local and regional media.

As one example of public consultation, Join the Conversation 2013 took place during the week of 16 September, with four public meetings held in Oswestry, Craven Arms, Bridgnorth and Shrewsbury. The events were open to the public, and local people were given the chance to submit questions in advance with emphasis being placed on the financial challenge faced by the public sector. Senior representatives from West Mercia Police, the Clinical Commissioning Group and Shropshire Fire and Rescue could be quizzed, in addition to Council Leader Keith Barrow and Chief Executive Clive Wright.

## The Context for our key services

To strengthen how we operate to be able to meet the challenges ahead of us we are organised into 5 main areas, all delivering against our overall priority – “As soon as possible, everything is efficient as it can be, focusing on the customer, prevention and partnership”:

- Adult Social Care Services
- Children and Young Peoples Services
- Public Health
- Resources and Support
- Commissioning

Crucially these are not isolated silos and each needs to work in new and different ways to make the biggest possible impact on the overall challenges of redesigning everything we do.

**Adult Social Care Services** – here we have a powerful role to play in recognising not only the cost of an aging population, but also its potential to make a positive impact on other service areas, drawing on the rich experience and commitment of older people across Shropshire. Whether in rethinking care services, building a new university offer or reinventing how library services are delivered, older people will have a crucial role to play.

**Children and Young People’s Services** – will need to play an increasingly influential role as the advocate for young people across all service areas – to ensure all young people are kept safe from harm, achieve well and make an effective transition into adulthood. As the average age of Shropshire’s residents increases, it puts more emphasis than ever on ensuring a powerful voice for young people.

**Public Health** – by merging public health and Shropshire Council, we are exploring the full potential for all council services to be as health promoting as possible. This means making the most of our new health expertise over areas as diverse as planning control, social work and school meals. We need to more fully recognise the whole-life cost of ill health to people and families, and to the council, and are committed to taking a long term view on changing behaviours, on designing healthy communities and reinforcing healthy choices.

**Resource and Support** – needs to exert its influence in order to challenge, and frequently lead change. It will do this by being focused on finding solutions, keeping aware of best in class approaches, and by suggesting new ways of working – whether by using new technology, better evidence on need, sound governance and management or through more creative use of our key assets – people and buildings.

**Commissioning** – will lead creative redesign across all our teams, blending capacity from across the council to best meet customer demand. It will help bring the customer and community perspective to bear on challenges facing high-cost, high-demand areas of adult social care and children’s services.

Key operational and financial challenges are now set out for each service area:

## **Adult Social Care Services – Operational Challenges**

Is focused on providing support for vulnerable people aged 18 and over, older people and adults with disabilities. In order to meet their needs at a local level, we need to consider both the increasing demand on services from an ageing population, the increasing numbers of younger adults with complex disabilities and the expectation of service users and their families.

We are choosing to meet these inexorable pressures through a fundamental re-think about what we do. Instead of delivering more and more efficiencies by incrementally changing what we currently deliver, we need to talk with our customers about an entirely new approach that’s financially sustainable but which actually meets people’s needs better by understanding them better. We must be willing to innovate, to manage risks differently and to share new ideas.

This will inevitably involve changing people’s expectations about how services are delivered, but will absolutely not mean lowering standards around quality of life. There are further opportunities for the reduction of cost of provision and internal efficiencies, but the focus must now be on demand-led transformation and the real challenge is changing the relationship between citizens and the Council. This will need to fully consider how working with other key partners – particularly the voluntary sector, health providers and suppliers can help.

We will focus on individual’s needs with an eye to their family and to their community as resources which can support these, minimising reliance on the council and other public agencies as the norm. The role that paid and, in particular unpaid carers play will be crucial.

Much demand for public services is driven by behaviour, often citizens behave the way they do because the public service behaves the way it does. To manage down the costs of local services with the support of the public, we need to engage with citizens and develop a relationship of trust so that:

- People who can are able to commission their own care within the resources available to them
- The council's role becomes one of facilitator and enabler, rather than a provider of services
- People can plan their care and take control over decisions with our support
- The most vulnerable adults are safeguarded and our high quality service is maintained

## **Redesigning everything we do – Adult Social Care case study**

Over the past 12 months we've completely redesigned the role social work practice teams play in their communities. This centres on reframing the relationship with people who need support. Instead of starting by focusing on everything that person needs, and in isolation from what's going on in their community, we begin by looking at what strengths they could build on – whether personal or within their local area. We're developing better relationships with local Voluntary and Community organisations and the role they can play in meeting needs.

Through this approach we believe we can dramatically reduce spend on packages of care as well as reducing future demand for services and commissioned interventions. The People to People pilot work has shown potential savings of £1.9 million over the next 3 years but by making this the way we do things across the county, redesigning what we think of as social care, we are confident we can save £10m over the same period.

At the same time we've identified and stripped out waste from our administrative systems and processes. This has included work on old debts, contract arrangements, financial processes and audit functions. By working with frontline staff, we've helped redesign operational processes and paperwork, streamlining Community Care Assessments and funding agreements. Together we project savings of over £1.2m per year from new ways of working which also make things better for customers and frontline staff.

## Adult Social Care Services - Financial Outlook

Shropshire faces significant demographic challenges both in relation to the increasing number of elderly people as well as those elderly people aged over 85. Equally there are growing numbers of people who have life limiting conditions either as a result of accident or disability that require high levels of support and therefore associated funding. In addition to the increase in overall numbers, the type of support requested is often disproportionately expensive and therefore work will be needed to ensure that the most cost effective support is provided whilst offering as much choice as possible.

We also need to factor in the impact of emerging national policies. The Care Bill currently under development will put care on a more statutory footing as well as introducing deferred payment arrangements and a national minimum eligibility for support.

The Commission on Funding of Care and Support, headed by Andrew Dilnot, set out its blueprint for reforming social care funding in July 2013. Its proposals, which would add £1.7bn to the costs of care in England, include:

- Capping lifetime individual contributions to care at £85,000. This would cover care at home and in residential care, but not board and lodging costs within care homes.
- Providing free care for those who develop needs before they reach 40.
- Raising the means-test threshold for savings below which people become eligible for state-funded residential care from £23,250 to £100,000.
- Standardising contributions to board and lodging costs in residential care at between £7,000 and £10,000 a year.
- Introducing a national system of assessment and eligibility, initially set at substantial need.
- Retaining disability benefits paid to people with care needs, but rebranding attendance allowance

While the Government has welcomed the proposals there is concern about the costs of implementation. However, a full government response will not be made until a White Paper in spring 2014.

## **Children and Young Peoples Services – Operational Challenges**

Children and Young People Services is responsible for ensuring that all children and young people in the County are kept safe from harm and achieve their full potential, becoming happy, healthy adults. It champions the interests of children through a range of universal, targeted and specialist services, working with a range of organisations including early years settings, schools and colleges, the police, health and voluntary sector.

Key enduring responsibilities include:

- the Child Protection System, including statutory assessment processes and the duty to remove children from their family, including through the legal process.
- ensuring the adequacy and sufficiency of suitable placements for children – including fostering, adoption and residential homes, provide for the needs of disabled children, provide Early Help arrangements, ensure an Independent review service is in place and
- ensuring that the educational needs of looked after children are met.
- the statutory functions of schools admissions and placement planning, ensuring good governance for maintained schools and access to full time education,
- assessment and placement of children with Special Educational Needs, enforcement of attendance and intervention in schools judged to be failing.
- Education improvement through challenge and support to early years settings, schools and colleges, some of which is through a traded service, including support to governing bodies.

## Redesigning everything we do: Children and Young People case studies

### **Inspire to Learn**

Shropshire Council currently delivers a range of traded services to schools – HR, Payroll, School Meals and specialist advice and support to teachers. Schools are free to purchase this from the council, or from other providers based outside of Shropshire. The council's wholly owned company, ip&e recognized the potential to deliver these services in an very different ways and put together an 'Inspire to Learn' proposal. This starts from the perspective that everything that happens in a school should be designed to do all it can to help children and young people reach their full potential. With this in mind, the quality and marketing of healthy school meals and providing the right support to head teachers and school managers to develop their business are absolutely crucial and central to creating a learning environment. Having received cabinet approval, ip&e Trading is now developing a robust business model, working directly with school heads and business managers to design the best possible service for the future, able to trade in Shropshire and beyond.

### **Whole family support**

Just as we've fundamentally redesigned the way adult social care works, in children and young people's services, we've looked at how multi-disciplinary teams at local level work with the whole family to do everything possible early on to prevent the need for more costly later action, often inevitably with a less positive outcome from the family perspective. The aim is to prevent escalation to costly specialist services and provide support to help families reduce their need for social care. Projected savings are half a million pounds in year one and £700,000 in year two.

This redesign sits alongside re-examination of social care systems and structures, aiming to reduce the number of key social workers that a child or family will need to have over the course of several years. These changes will increase individual social workers ability to support a family, improving the quality of their support and cutting out unproductive and wasteful handovers and duplication. Anticipated savings her are once again in the region of between a quarter and half a million pounds a year.

## Children and Young Peoples Services - Financial Outlook

There will be a step change reduction in education finance over the next few years for a number of reasons:

- 1) The overall reduction in funding to local authorities for the provision of services through the government's fiscal policies.
- 2) Shropshire has 12 Academy schools (January 2014) - 9 secondary , 2 primary and one special. Numbers of academies are likely to increase in the next few years. As the number of academy based pupils increases, the level of Education Services Grant for Shropshire will fall as resources are transferred to the Education Funding Agency who are responsible for funding state schools outside the maintained sector. This will, in turn, reduce funding for education support services. Work has been done to model the likely reductions in the Education Services Grant and consequential impact on education support services in the next few years. This is being used to develop options for the future commissioning and delivery of education support services.
- 3) The number of children of statutory school age in Shropshire will continue to fall until at least 2019. This reduction will result in a loss in Dedicated Schools Grants of nearly £7m over the period based on current projected pupil numbers. While housing developments will influence the demand for school provision in some specific parts of Shropshire, they are unlikely to result in a significant increase in aggregate pupil numbers across the whole county and instead are likely to result in a redistribution of the existing pupil population.

The number of children with additional learning needs, and with disabilities, is expected to rise. The number of children in the looked after system saw an upturn in 2012/13 partly due to an increase in referrals to children's social care in the light of recent national cases. These areas are the focus of significant service re-design in order to ensure appropriate early intervention, to manage costs and provide more effectively for these vulnerable children.



## Public Health – Operational Challenges

Public health is all about promoting and protecting people's health and well-being, preventing ill health and prolonging life through whatever means possible. Merging Shropshire Council with Public Health is creating opportunities to improve health outcomes by using evidence to improve decision making across the Council's work.

There are three main areas of focus for the team within Shropshire Council, working across the organisation to maximise their impact:

- **Health improvement** – promoting the health and wellbeing of the population by enabling individuals, families and communities to lead healthier lifestyles
- **Health protection** – protecting the population from infection or environmental hazards, including immunisation and screening
- **Improving service** – through surveillance and monitoring of specific diseases and risk factors, audit and evaluation

Compared with England averages, Shropshire is a healthy place to live with higher life expectancy rates for men and women. However we have differences in life expectancy from inequalities, with men from the most affluent communities living six years longer than the poorest and women four years longer.

Preventable causes of premature death and serious long term illness such as obesity, smoking, substance misuse and lack of physical activity are major factors in heart disease, stroke and cancer. With the ageing profile of the local population, investment is needed to prevent or delay the onset of long term conditions such as diabetes, cardiovascular disease and chronic obstructive airways disease. Key challenges for Shropshire to address include the rising levels of obesity amongst children and adults, the low levels of physical activity and rural health inequalities.

As everything the Council does is redesigned, there's an opportunity to put greater emphasis on promoting healthy lifestyles and preventing of ill health, thereby reducing future demand for expensive health and social care. Through complete service redesign, the public health department will work across all the Council's existing services to maximise their impact on health outcomes, including the following programmes which Shropshire Council now has responsibility for commissioning:

- Children's Public Health aged 5-19 years (School Health)
- Physical Activity
- Obesity Prevention & Nutrition

- Alcohol and Drug Misuse prevention and treatment
- Tobacco Control
- Public Mental Health
- Dental Public Health
- NHS Health Checks
- Infection Prevention & Control
- Sexual Health
- Health at Work
- Accidental Injury Prevention
- Reducing Seasonal Mortality
- Reducing and preventing birth defects

## **Redesigning everything we do: Public Health case study**

Although funding for public health services is largely protected through ring fencing, we are looking at how we can redesign some of the behaviour change activity in Shropshire so it can be even more effective and, potentially generate income from work outside the county and with local health providers. Through the Help 2 Change approach being developed with ip&e we are exploring opportunities to integrate more of what we do to help people stop smoking, manage a healthy lifestyle and weight.

## **Public Health - Financial Outlook**

Shropshire has one of the lowest grants for public health in England (£29 per head of population compared to the national average of £49 and Westminster Council's allocation of £132 per head.) The Department of Health has advised that it will be reviewing the funding formula during 2014. Shropshire Council is lobbying Central Government, along with other rural local authorities, to show how this unfairly and severely limits our ability to tackle health inequalities and to commission the right services for Shropshire people.

To reach the national average per capita allocation Shropshire would require double its £8.9 million allocation. Whilst the Department of Health has planned a further 10% increase in the grant for 2014/15, it has yet to demonstrate how a 'Fair Shares' allocation will be achieved and over what timescale.

The Health and Social Care Act 2012 also places a new responsibility on Local Authorities to commission health services for school age children from April 2013. A consultation is under way to enable a service redesign to come into effect from September 2014. From April 2016 the Local Authority will have responsibility for commissioning Health Visiting Services for Shropshire. This responsibility currently rests with NHS England. It will be necessary for the Local Authority to work closely with NHS England to enable a smooth transition of commissioning responsibility and to enable service redesign appropriate to the needs of our population.

## **Resources and Support – Operational Challenges**

The Resources and Support team helps define the context in which Shropshire Council as a commissioning organisation needs to function. Through excellent financial, legal, strategic and organisational advice, guidance and where necessary, controls, the Directorate enables the council to deliver outcomes for its customers in the most cost-effective ways possible.

In partnership with ip&e, the council's preferred innovation partner, the directorate is designing the infrastructure for the future needs of Shropshire Council and other commissioners looking to work in radically different ways. This will enable swift take up of the best systems and most efficient and well-designed business processes. It means anticipating future demand, working with the council and other customers to help understand and take advantage of what's on offer.

Although always working in a supportive way, the Directorate will therefore need to challenge and frequently lead change. It will always do this by being focused on finding solutions, by keeping aware of best in class approaches and by suggesting new ways of working.

Rather than outsource, Shropshire Council will use its influence, through ip&e, to create new business capacity designed from scratch to meet future needs. Where necessary it will do this through partnership with other organisations, always retaining a majority controlling interest. These relationships will blend the council's expertise with insight and capacity from others. Resources and Support will be at the heart of this new approach to delivering excellent public services.

## **Redesigning everything we do: Resources and Support case studies**

### **ThreeSixty Communications**

The first business unit to be created in ip&e Limited is ThreeSixty Communications. Designed to deliver a complete communications, marketing and PR service this team provides high quality support to Shropshire Council and other clients in the housing, criminal justice and other public service organisations. The team exemplifies the approach envisaged for ip&e which seeks to anticipate, understand and then meet demand in the public sector, designing solutions to meet that demand. By trading in Shropshire and beyond the team is bringing profit back into the county to be reinvested. The team approach is to work with customers to fully appreciate their expectations and then bring its skills to bear through campaigns as well as more reactive approaches. As ip&e grows, some of the additional areas of anticipated growth – particularly business design and public health behavior change have strong synergies with ThreeSixty's area of business.

### **Programme Management/Business Design**

With over 100 change projects running across the council and more in the pipeline, effective governance and programme management is essential – to keep projects on track, ensure key legal, financial and HR issues are addressed and make sure that all possible benefits are extracted for customers from everything that's under review. The Programme Management Office and Business Design teams within Resources and Support are the hub around which this coordination and leadership takes place. With the role of this team increasing over the next year, additional secondees are being bought together to ensure change is subject to effective external challenge, and is supported by the right capacity at the frontline.

## **Resources and Support – Financial Outlook**

The Resources and Support Team helps to manage the Council's overall resources and is at the centre of producing estimates of Council resources from Council Tax, Local Business Rates and Central Government Funding. The current austerity measures that have driven reduced funding across the public sector from CSR 2010, through to the spending round update in June 2013, have all been built into the Council's financial projections over the medium term. Over the longer term it is unlikely that resources will grow in local government, and the Resources and Support Team will need to ensure that the Council continues to deliver a legal and sustainable budget making key strategic decisions on behalf of the wider council and through the support to redesign of services.

## **Commissioning – Operational Challenges**

The Commissioning Directorate is at the heart of, and will frequently drive the fundamental redesign of all council activity. By working together it will redesign and reinvent how we deliver services at pace based on evidence, ensuring that what is commissioned best meets customer needs by being as efficient and effective as possible, focusing more on prevention and less on reactive activity.

The Commissioning Directorate covers a broad range of services, some of which are commissioned and other areas remain delivered within the council. As with all other council services, these will all be subject to reinvention over this business plan period, most within the next twelve months.

Specific commissioned areas include Waste Collection and household recycling services, Leisure facilities (excluding joint use), Highways and Maintenance and Housing Support. Those that are currently directly delivered are both universal and targeted and include Libraries, Public Protection, Development Management and Planning Policy, Housing Services, Outdoor Recreation, Public Transport, Arts Development, Positive Activities, Community Action, Sports Development, Business Growth including Business Support, Environmental Services, Theatre Services and the Visitor Economy (museums, tourism and Shropshire Archives).

These reflect a very significant part of the council's physical presence within Shropshire's communities. In rethinking and reshaping how these are delivered in future, the council will always focus on what local assets and capacity exists, on what needs are identified locally and on the potential to achieve the same, or better outcomes for customers by using these assets, and capacity within the community and across other organisations more intelligently. A major challenge for Public Protection will be to focus more on the identification and management of risk to people's health, safety and wellbeing at the same time as supporting economic growth, helping businesses grow and employ more local people.

The Local Commissioning pilot has continued to be rolled out since its inception in February 2013 in Church Stretton, led by local members alongside our partners in the public, private and voluntary sector. Other areas have also started the approach including Oswestry, Wem, Shrewsbury (in the ward of Monkmoor) and Craven Arms. As with the work in Church Stretton, there is strong focus on working collectively to help redesign services based on demand in a locality that will be better, faster and cheaper for the customer, by working together, with a focus on prevention.

An example of the potential results from this work is that within Church Stretton, partners are now recommending an entirely new approach to jointly commissioned preventative services. The prototype work there found significant duplication and gaps in prevention by the four main teams (adult social care, housing, Clinical Commissioning Group and public health). Commissioning of preventative activity is siloed and the impact on other parts of the economy hasn't been sufficiently considered. Because of this, some preventative activity happens too late, and the evidence points to potential improvements by working together, using a proportionate response and giving people support and encouragement to plan for getting older. This new approach is helping to inform the thinking on a new way of delivering services and will form part of the wider Better Care Fund Action Plan that will be overseen by the Health and Wellbeing Board.

The Locality Commissioning approach brings various services together around themes – like aging well and reducing worklessness, which are then developed and prototyped into new and innovative ways of working that drive out duplication and inefficiencies and increase customer value. Once this is understood, services will then be commissioned out to the Shropshire market place, knowing that what is needed can be delivered in a different way and at a significantly lower cost. Depending on the outcomes of the prototype, the re-commissioned services could be commissioned at a local, area or county wide level. The commissioning and governance of place is also being developed as part of the evolution of Local Joint Committees with a view that this will be managed and led locally, creating a truly local approach to commissioning of services. This evolving approach is taking the learning from the Local Governance Boards in Church Stretton and Monkmoor, with a view to expanding this across the county in 2014.

Local commissioning and the approach adopted around redesign being rolled out in significant parts of Shropshire Council where existing services are being redesigned and reinvented around outcomes. This forms a significant part of the broader Business Plans and complements existing activity such as deep dive service redesigns – current examples include those in Adult Social Care (Gusto, STEP and People2People), Children’s Services (Family First), Highways (Edge to Edge) and Economic Development (Project North) and also strategic commissioning – done on a wider scale, such as that recently undertaken in Highways and Leisure.

## **Redesigning everything we do: Commissioning case study**

The Hedge to Hedge initiative is a good example of how looking at service design from the community’s perspective shows how the way we do things frequently makes little sense and costs much more than it needs to. Hedge to Hedge is a redesign of reactive highway and street scene services. In many ways it represents common sense. Rather than forever referring back to base to get jobs done, Hedge to Hedge means crews are empowered to sort problems out as they see them and has transformed the way work is ordered, relationships between client and contractor, improved response times and reduced costs.

The new approach has meant that contract savings have been achieved at the same time as service standards have improved. Shropshire’s work has been highlighted as best practice by the Highways Agency.

This sits alongside innovation in how the council approaches maintenance of key community infrastructure. Through collaboration with Cheshire West and Chester Council, we are focusing on proactive rather than reactive maintenance programmes to share expertise and resources. We also have a strong business relationship with Ringway, our highways contractor, and together we are exploring new and innovative approaches to service delivery.

As these new approaches are developed the role of Shropshire Council will move quite quickly from service provider to service specifier and will mean less people will be employed directly by Shropshire Council, with more either moving to ip&e as Shropshire’s key provider of choice, the voluntary and independent sector or other delivery models such as Town Councils and staff mutuals.

## **Commissioning - Financial Outlook**

Over the next 18 months Shropshire Council will increase its mixed economy approach to commissioning, working with partners, other local authorities (including Town and Parish Councils), and with the community. Based on evidence from the early small-scale prototyping already undertaken, this should deliver upwards of 50% savings of existing budgets across Shropshire Council.

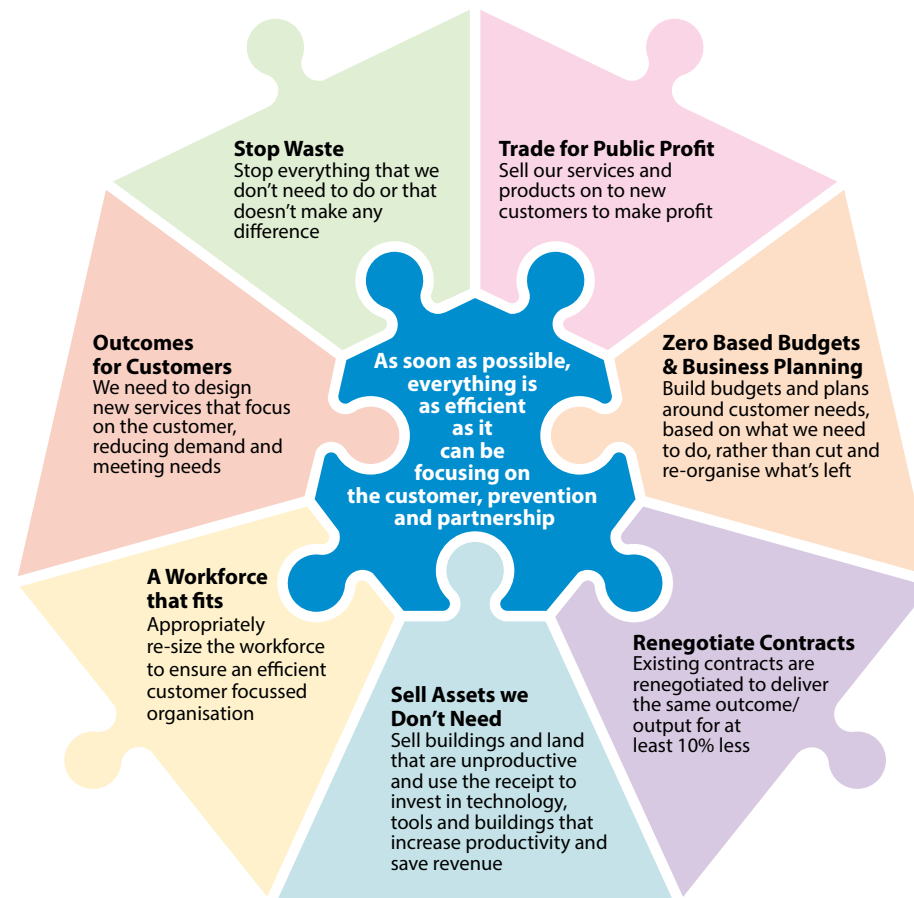
The Council jointly with the Shropshire Business Board put in place a new Economic Growth Strategy at the end of 2012 to run till 2016. It has been written from the perspective of the business community and is based on collaboration to unlock private sector growth. The role of the Council is very much to make sure the conditions are in place to facilitate this growth. The key priorities are accelerating business growth, infrastructure for growth, stimulating our growth sectors and our skilled and loyal workforce. The strategy will have detailed delivery plans led by our business leaders on the Board.

It will drive new jobs and higher business growth and lead to an increase in business rates paid, a reduction in benefits claimed and greater vitality in our market towns. These outcomes will directly benefit other council services – with a more sustainable income flow alongside reduced demand for higher cost safety-net interventions.



## How we will ensure we make best use of our resources

The jigsaw image below shows, in plain English, how we intend approaching the task of fundamental redesign, across everything we do so that it delivers our core purpose.



## Our approach

We will redesign everything we do so that it is utterly focused on delivering against this set of commitments. We are confident that through redesign we will be able to deliver the same or better outcomes in terms of meeting the real needs of Shropshire people, using significantly less money.

Our approach to increasing productivity by doing things differently and in some cases by doing different things will not only mean our business is orientated around the customer but will also bridge the projected funding gap over the next three years. Where possible we will use these design principles to deliver redesigned services ahead of financial necessity

### Significant areas of review over the next 3 years

As we've consistently emphasised throughout this plan, absolutely all services need to be fundamentally redesigned during the next three years. Moreover the majority of changes will happen soon, in the first year, recognising the importance of looking across the organisation in one go seeing and maximising synergies, rather than pulling out discrete areas one at a time, risking more silos and wastage. Far from being over ambitious, this approach is essential if we are truly to deliver on our core purpose. It's crucial to recognise there are no areas of council activity to remain untouched or unchanged over this period.

We will, however, focus on the areas of largest potential impact first and recognise these as particularly crucial in redesigning the council to be fit for its future:

#### Adults Social Care Services

- We will change how we support vulnerable adults – seeking to understand the whole person, their family, and their lives, helping them to understand and make best possible use of all available resources in the community. Only then and where absolutely necessary will the council step in to provide what support is needed to keep people as independent as possible.

- This will make much more sense from the perspective of the customer and cut costs by stopping the need for high cost services in as many cases as possible by doing more to prevent personal situations getting worse, early on.
- We will change how we commission care services - both across the county and, particularly locally in our towns and villages to help develop and grow what's on offer there, so that people can get the affordable care and other services they need through personalised budgets giving them choice and control.
- We will encourage and enable voluntary and community sector organisations to play their part in offering more affordable options for people to get a decent quality of life.
- We will invest in the development of 4 new supported living bungalows to enable adults with learning disabilities to live independently. This will deliver revenue savings through reduced admissions to residential care.

### Adult Social Care Services Directorate overall budget

|                | Gross Revenue<br>Budget £ | Gross Controllable<br>Budget £ | Savings Target<br>£ | Proposals Identified<br>£ |
|----------------|---------------------------|--------------------------------|---------------------|---------------------------|
| Adult Services | £98,023,000               | £69,858,121                    | £24,450,342         | £24,745,343               |

**Summary estimate for realising budget reductions:**

| Portfolioholder | Redesign Piece                           | Proposal  | 2014/15<br>£      | 2015/16<br>£     | 2016/17<br>£     |
|-----------------|--|---|-------------------|------------------|------------------|
| Lee Chapman     | Renegotiate Contracts                    | Review and renegotiate contracts across Adult Services with a view to redesigning or reducing requirements to meet lower cost allowances. Review will include all major procurement areas.      | 1,904,072         | 1,459,586        | 400,000          |
| Lee Chapman     | Outcomes for Customers                   | Redesign and recommission reablement services to include START service and external provision.  | 550,000           | 0                | 0                |
| Lee Chapman     | Outcomes for Customers                   | Redesign the Adult Social Care operating model. A new model of service that maximises individual potential of families and communities, playing a different and more rewarding part in support. | 3,020,000         | 2,600,000        | 4,000,000        |
| Lee Chapman     | Outcomes for Customers                   | To introduce a modern social care delivery model building upon the success of the P2P and STEP developments   | 727,984           | 655,186          | 589,667          |
| Lee Chapman     | Outcomes for Customers                   | Reconfigure services across Adult Services including day service provision, Community Living, Client Property and Appointeeships and Sensory Impairment.  | 1,134,347         | 150,000          | 0                |
| Lee Chapman     | A workforce that fits                    | Appropriately resize the workforce to ensure efficient and customer focussed organisation. VR proposals within Adult Services   | 1,200,000         | 200,000          | 0                |
| Lee Chapman     | Zero Based Budgets and Business Planning | Review of service delivery across Adult Services to take account of existing high cost placements and reduce future demand for such services.   | 1,260,000         | 1,828,775        | 2,628,775        |
| Lee Chapman     | Zero Based Budgets and Business Planning | Review of Transport Costs across Adult Services.  | 436,951           | 0                | 0                |
|                 |  | <b>Total</b>  | <b>10,233,354</b> | <b>6,893,547</b> | <b>7,618,442</b> |

## New Delivery Proposals – Adult Services

| Portfolioholder | Redesign Piece         | Proposal   | 2014/15<br>£                   | 2015/16<br>£ | 2016/17<br>£ |
|-----------------|------------------------|--|--------------------------------|--------------|--------------|
| Lee Chapman     | Outcomes for Customers | Development of Supported Living Services for Adults with Learning Disabilities. Namely the development of 4 further Supported Living bungalows at Adderley Road, Market Drayton; London Road, Shrewsbury and two further sites to be identified. | Included in existing programme | -            | -            |

## Children and Young People's Services

- Redesign how we support families with children and young people so they quickly get a single point of contact with us. This will help get them the right expertise to meet their needs.
- With public health now fully integrated with the Council this means we can explore how school health, targeted mental health in schools and Children's Centres can best be delivered to benefit the customer. Bringing all our services that support families together means we can cut out any duplication, focusing on the whole family in one place, doing more for less.
- Wherever possible we want children to live in supportive family homes so we will put much more emphasis on helping birth families, wherever possible to care for their children. This will reduce the numbers needing to go into care, particularly those aged over 13.
- Where care outside the birth family is essential, we will do more to encourage as short a period of placement as possible, helping parents prepare for a speedy and successful return.
- We will improve the ability of families to purchase services to meet their needs and young people to successfully prepare for the world of work and adulthood.
- We will support children's social workers so they can focus on productive contact with their customers. They will have the right tools to work in the community, cut out unnecessary process and focus on what makes a difference.

- As schools get freedom to choose where they buy their support from, we want to be able to help them get the best possible deals. We will therefore review how we deliver educational support, exploring options for creative partnerships that protect the Council's influence, whilst ensuring they can get what they need, supporting excellent education.
- We will re-define and re-position our relationship with schools, placing emphasis on our responsibility to improve the attainment of children and young people, driving up school standards.

### Children and Young Peoples Services Directorate overall budget

|                     | Gross Revenue<br>Budget £ | Gross Controllable<br>Budget £ | Savings Target<br>£ | Proposals Identified<br>£ |
|---------------------|---------------------------|--------------------------------|---------------------|---------------------------|
| Children's Services | £236,193,000              | £35,964,333                    | £12,587,517         | £12,667,000               |

### Summary estimate for realising budget reductions:

| Portfolioholder | Redesign Piece         | Proposal  | 2014/15<br>£ | 2015/16<br>£ | 2016/17<br>£ |
|-----------------|------------------------|---|--------------|--------------|--------------|
| Ann Hartley     | Renegotiate Contracts  | Review and renegotiate contracts across Children's Services with a view to redesigning or reducing requirements to meet lower cost allowances. Review will include all major procurement areas. | 0            | 300,000      | 0            |
| Ann Hartley     | Outcomes for Customers | Develop all age disability provision with Adult Social Care and develop personalisation agenda.   | 100,000      | 200,000      | 0            |

| Portfolioholder | Redesign Piece                           | Proposal  | 2014/15<br>£ | 2015/16<br>£ | 2016/17<br>£ |
|-----------------|--|---|--------------|--------------|--------------|
| Ann Hartley     | Outcomes for Customers                   | West Mercia Adoption Service. Review Fostering arrangements for more challenging young people.  | 25,000       | 50,000       | 0            |
| Ann Hartley     | Outcomes for Customers                   | Develop Joint Venture with commercial provider. Review Early Years support, increase trading.   | 1,430,000    | 200,000      | 0            |
| Ann Hartley     | Outcomes for Customers                   | Analyse back office processes: administration; use of IT, impact of rurality.   | 150,000      | 345,000      | 200,000      |
| Ann Hartley     | Outcomes for Customers                   | Review Supervised Access across Children's Services with a view to meeting revised needs.   | 200,000      | 0            | 0            |
| Ann Hartley     | Outcomes for Customers                   | Redesign early support and assist provision.  | 500,000      | 700,000      | 0            |
| Ann Hartley     | Outcomes for Customers                   | Expansion of local provision, wider range of provision at a local level for 16/17 year old care leavers   | 0            | 400,000      | 0            |
| Ann Hartley     | Outcomes for Customers                   | Redesign Education Improvement Team to carry out statutory responsibilities to meet the support and challenge requirements of Education.                  | 150,000      | 0            | 101,000      |
| Ann Hartley     | A workforce that fits                    | Appropriately re-size the workforce to ensure an efficient and customer focussed organisation. Voluntary Redundancy proposals within Children's Services. | 800,000      | 0            | 0            |
| Ann Hartley     | Zero Based Budgets and Business Planning | Review current residential provision within Children's Services and increase assessment capacity. Review existing and future mix of provision.            | 2,266,000    | 1,370,000    | 1,589,000    |
| Ann Hartley     | Zero Based Budgets and Business Planning | Review of Transport Costs across Children's Services.   | 1,591,000    | 0            | 0            |
|                 |  | Total   | 7,212,000    | 3,565,000    | 1,890,000    |

## Public Health

Look at how all of the following areas of activity are best commissioned and delivered in the context of the current market and opportunities for trading outside of Shropshire:

- School health
- Health visiting
- Substance misuse
- Smoking cessation
- Obesity management
- Health checks

### Public Health Directorate overall budget

|               | Gross Revenue<br>Budget £ | Gross Controllable<br>Budget £ | Savings Target<br>£ | Proposals Identified<br>£ |
|---------------|---------------------------|--------------------------------|---------------------|---------------------------|
| Public Health | £9,706,000                | £237,980                       | £83,293             | £54,727*                  |

\*Public Health will work with other service areas to explore how savings can be made by considering how these areas contribute to public health priorities.

### Summary estimate for realising budget reductions:

| Portfolioholder | Redesign Piece                           | Proposal   | 2014/15<br>£ | 2015/16<br>£ | 2016/17<br>£ |
|-----------------|--|--|--------------|--------------|--------------|
| Karen Calder    | Zero Based Budgets and Business Planning | Review Public Health spending to meet spending targets | 54,727       | 0            | 0            |



## Commissioning

- We will reform our services that regulate businesses in the county (including planning and licensing) so they can best bring their skills and abilities to support firms to grow, helping create job opportunities and benefit people's health, wellbeing and prosperity.
- We will focus on our support for Tourism and the wider sector across the county by reviewing the council's impact on tourism, maximising the economic value from our assets to bring as much spend by visitors as possible into the County. This will look at the best management and ownership arrangements of our tourist and visitor economy sites.
- We will enable as much activity for young people as efficiently as possible starting from the perspective of people growing up in Shropshire, putting the emphasis on supporting what they need in ways that are as relevant, commissioned and local as possible.
- Across waste collection and recycling we will work with our business partners to encourage more recycling where this reduces costs to the council and delivers environmental benefits for the people of Shropshire.
- We will review all of our current contractual arrangements with partners – whether large scale for example (Veolia – waste collection, Coop – Bereavement Services) or smaller and more local – with schools, community groups and town councils to get the best possible deal for Shropshire residents.
- These new approaches and reimagining of solutions will look to achieve increased flexibilities and support business redesign that better meet customer demand at reduced costs, recognising that the market place and funding environment is becoming more competitive. Other key areas we will focus on will include:
  - Community based leisure facilities
  - Highways and transport collaboration with other local authorities
  - Environmental maintenance
- New capital schemes are being developed in order to improve customer services for a number of our services. This includes providing self-serve facilities within Libraries and improved customer services at the Acton Scott Historic Working Farm.
- The council is also looking to further develop its industrial estates and business parks in order to retain existing tenants and attract new businesses into Shropshire.

### Commissioning Directorate overall budget

|               | Gross Revenue<br>Budget £ | Gross Controllable<br>Budget £ | Savings Target<br>£ | Proposals Identified<br>£ |
|---------------|---------------------------|--------------------------------|---------------------|---------------------------|
| Commissioning | £123,441,000              | £53,976,095                    | £18,891,633         | £19,025,633               |

### Summary estimate for realising budget reductions:

| Portfolioholder  | Redesign Piece            | Proposal  | 2014/15<br>£ | 2015/16<br>£ | 2016/17<br>£ |
|--|---------------------------|---|--------------|--------------|--------------|
| Steve Charmley,<br>Claire Wild,<br>Gwilym Butler,<br>Mal Price | Renegotiate<br>Contracts  | Review and renegotiate contracts across Commissioning Directorate with a view to redesigning or reducing requirements to meet lower cost allowances. Review will include all major procurement areas. | 1,355,667    | 2,407,834    | 1,747,849    |
| Steve Charmley   | Outcomes for<br>Customers | Redesign of Business and Enterprise function that will lead to an end to end offer for the business community.  | 65,825       | 118,350      | 144,075      |
| Steve Charmley   | Outcomes for<br>Customers | Redesign Healthier People and Communities - (Review animal movement monitoring contract)  | 30,000       | 0            | 0            |
| Gwilym Butler  | Outcomes for<br>Customers | Modernisation of processes and creation of efficiencies within Theatre Services   | 90,000       | 10,000       | 0            |
| Steve Charmley   | Outcomes for<br>Customers | Redesign of a new Visitor Economy model including museum services and visitor attractions   | 263,627      | 178,840      | 172,590      |
| Steve Charmley   | Outcomes for<br>Customers | Behavioural change programme using customer segmentation approach to increase recycling and reduce waste growth.  | 288,000      | 126,500      | 240,000      |

| Portfolioholder | Redesign Piece         | Proposal   | 2014/15<br>£ | 2015/16<br>£ | 2016/17<br>£ |
|-----------------|------------------------|--|--------------|--------------|--------------|
| Gwilym Butler   | Outcomes for Customers | Redesign the Libraries service, including Visitor Information Centres.   | 1,006,331    | 299,764      | 0            |
| Claire Wild     | Outcomes for Customers | Redesign Highways and Transport function, creating alliance with Cheshire West and Chester (CWAC)  | 430,000      | 72,340       | 502,341      |
| Claire Wild     | Outcomes for Customers | Redesign Environmental Maintenance function, creating merged function with CWAC, moving processes in house and increasing income             | 150,000      | 202,660      | 152,659      |
| Gwilym Butler   | Outcomes for Customers | Redesign within Community Action, Positive Activities, Outdoor Recreation and Sports Development to create a Community Enablement Team (CET) | 196,163      | 171,445      | 0            |
| Gwilym Butler   | Outcomes for Customers | Redesign of the Outdoor Recreation service that will lead to locally led approaches with a focus on physical activity                        | 51,400       | 288,215      | 207,375      |
| Steve Charmley  | Outcomes for Customers | Redesign of Public Protection - in preparation for Regulatory and Business Support Services (RABSS)  | 109,000      | 0            | 0            |
| Steve Charmley  | Outcomes for Customers | Redesign Healthier and Sustainable Environment, including commissioning of Parking and Cash Collection                                       | 94,315       | 0            | 0            |
| Steve Charmley  | Outcomes for Customers | Create efficiencies in Bereavement Services function, stopping non-utilised service and generating income                                    | 58,500       | 0            | 0            |
| Gwilym Butler   | Outcomes for Customers | Redesign across Positive Activities, Arts Development and Sports Development to create a new model for Activities for Young People           | 58,832       | 215,844      | 215,844      |
| Steve Charmley  | Outcomes for Customers | Redesign Safer and Stronger Communities function, stopping Bikeability and redefining 24/7 CCTV monitoring                                   | 20,838       | 140,000      | 0            |

| Portfolioholder  | Redesign Piece                           | Proposal  | 2014/15<br>£ | 2015/16<br>£ | 2016/17<br>£ |
|--|--|---|--------------|--------------|--------------|
| Mal Price  | Outcomes for Customers                   | Redesign of Development Management and Planning Policy - Environment & Sustainability Service will be redesigned with other planning functions in order to create a more integrated delivery focussed Business Unit | 150,600      | 35,000       | 0            |
| Gwilym Butler  | Outcomes for Customers                   | Review of joint use Leisure Facilities to identify how they are best delivered on a local basis.  | 118,420      | 206,055      | 227,335      |
| Mal Price  | Outcomes for Customers                   | Redesign and reinvention of Housing Services concentrating on early intervention, providing an integrated approach to meeting people's needs, cutting out waste to improve customer outcomes.                       | 500,000      | 1,604,025    | 0            |
| Steve Charmley   | Trade for Public Profit                  | Create commercial activity within the wider Regulatory and Business Support Services model.   | 0            | 50,000       | 772,779      |
| Steve Charmley,<br>Claire Wild,<br>Gwilym Butler,<br>Mal Price | A workforce that fits                    | Appropriately re-size the workforce to ensure an efficient and customer focussed organisation. Voluntary Redundancy proposals within Commissioning Directorate.   | 2,165,749    | 310,707      | 0            |
| Steve Charmley   | Stop Waste                               | Reduce Sustainability supplies and services budget  | 6,000        | 0            | 0            |
| Gwilym Butler  | Stop Waste                               | Cease provision of Local Joint Committee grant funding  | 529,850      | 0            | 0            |
| Steve Charmley   | Stop Waste                               | Enforcement of Waste Management Policy and decommissioning of some services.  | 180,000      | 0            | 0            |
| Steve Charmley,<br>Claire Wild,<br>Gwilym Butler,<br>Mal Price | Zero Based Budgets and Business Planning | Review of Transport Costs across Commissioning Directorate.   | 286,090      | 0            | 0            |
|  |  | Total   | 8,205,207    | 6,437,579    | 4,382,847    |

## New Delivery Proposals – Commissioning

| Portfolioholder              | Redesign Piece          | Proposal  | 2014/15<br>£ | 2015/16<br>£ | 2016/17<br>£ |
|------------------------------|-------------------------|---|--------------|--------------|--------------|
| Steve Charmley               | Renegotiate Contracts   | Intelligent Client System: New software for the monitoring of performance under the Waste Management contract. Further details required to establish if eligible capital expenditure. | 70,000       | -            | -            |
| Gwilym Butler                | Outcomes for Customers  | Self Service Machines: Required to help deliver recurrent revenue savings.  | 100,000      | -            | -            |
| Steve Charmley               | Trade for Public Profit | Stanley Lane Industrial Estate: Initial works to prepare the site for development of new workshop units.  | 150,000      | -            | -            |
| Steve Charmley<br>/Tina Wood | A workforce that fits   | Acton Scott Historic Working Farm: Consolidates the retail and ticketing area, reducing staffing costs per annum by around £10,000.   | 36,000       | -            | -            |
|                              |                         | Total   | 356,000      | 0            | 0            |

## Resources and Support

- We will only keep and use the physical assets we need to meet customer demand. This means selling underused and vacant land to boost capital funds and saving revenue like a business. We will use new technology to allow our staff to work in a mobile and flexible way to suit the needs of our customers. This means we need less accommodation and what we keep should be designed and equipped to help people work collaboratively and flexibly. To achieve this we will use a Corporate Landlord model, where all property assets are managed centrally together through a commercial approach.
- We will design the infrastructure for the future needs of Shropshire Council and other commissioners looking to work in radically different ways. This will enable swift take up of the best systems and most efficient and well designed business processes.
- End to end review of how the council uses information to drive decision making, identifying duplication and waste, evaluating the potential for income generation through trading associated with the value we put on intelligence.
- Reviewing procurement, Audit, Risk and Insurance teams to reflect the changing demands of the commissioning organisation.
- Rationalising face to face customer contact, through a digital first approach making it easier and cheaper for people to access the information and services they're looking for.
- Reviewing HR support, streamlining processes helping managers and team leaders become highly effective people and resource managers through informed self-service.
- Reviewing levels of support in democratic and legal services taking account of willingness of customers to accept different levels of provision and opportunities, through an Alternative Business Structure to enable the team to sell on its services.
- We are working closely with our trading partner ip&e (Trade Co) to grow a suite of businesses based on understanding and anticipating the public service customer needs of the future, whilst driving down our own

service costs. We will do this by developing attractive, tradable services to tap into a targeted, growing market. This includes reviewing the potential for trading using the council's capacity, skills and assets in new ways including;

- Developing an enabling technology offer, bringing the best in cloud based and mobile technology to bear on challenges facing the UK public sector
- Exploring a core service offer delivering excellence in governance for public service commissioners
- Developing our business design and programme management expertise, using Shropshire as the shop window for a growing potential customer base
- Bringing together health improvement services – offering a range of support to change behaviours in ways that improve people's long term health and well-being

|                       | Gross Revenue<br>Budget £ | Gross Controllable<br>Budget £ | Savings Target<br>£ | Proposals Identified<br>£ |
|-----------------------|---------------------------|--------------------------------|---------------------|---------------------------|
| Resources and Support | £157,326,000              | £71,046,852                    | £24,866,398         | £26,708,592               |

### Summary estimate for realising budget reductions:

| Portfolioholder | Redesign Piece            | Proposal  | 2014/15<br>£ | 2015/16<br>£ | 2016/17<br>£ |
|-----------------|---------------------------|---|--------------|--------------|--------------|
| Mike Owen       | Sell Assets we don't need | Asset rationalisation to fit with mobile and flexible working ethos. Manage total asset base of Council under a Corporate Landlord arrangement            | 900,650      | 1,527,443    | 0            |
| Mike Owen       | Renegotiate Contracts     | Review and renegotiate contracts across Resources and Support Services with a view to redesigning or reducing requirements to meet lower cost allowances. | 20,000       | 0            | 0            |

| Portfolioholder | Redesign Piece                           | Proposal  | 2014/15<br>£ | 2015/16<br>£ | 2016/17<br>£ |
|-----------------|--|---|--------------|--------------|--------------|
| Mike Owen       | Outcomes for Customers                   | Redesign points of face to face contact for the full range of transactional services. Meet the demand for increased access in alternative methods of contact e.g. digital and mobile. | 150,000      | 0            | 0            |
| Mike Owen       | Trade for Public Profit                  | Further develop a commercial approach to our business and maximise earnings and trading potential.  | 329,700      | 29,700       | 29,700       |
| Mike Owen       | A workforce that fits                    | Develop a workforce that appropriately fits the size and requirements of the organisation as it moves to become a commissioning council.  | 3,976,364    | 179,871      | 115,759      |
| Mike Owen       | Stop Waste                               | Reduce travel and associated costs across the Resources and Support Directorate by maximising opportunities offered through technological solutions.                                  | 46,800       | 0            | 0            |
| Mike Owen       | Stop Waste                               | Rationalise spend in ICT. Ensure that all systems are used to best advantage of the business  | 2,152,000    | 28,000       | 40,000       |
| Mike Owen       | Stop Waste                               | Stop contracts where review has identified that costs outweigh benefits.  | 31,000       | 0            | 0            |
| Mike Owen       | Zero Based Budgets and Business Planning | Redesign Services, for example, Business Design, Digital Services, Customer Services, Business Support, Print Services, Programme Management.   | 291,748      | 210,448      | 150,848      |
| Mike Owen       | Zero Based Budgets and Business Planning | Procure to Pay redesign implemented across the authority to improve procurement, contract and payment processes and efficiency.   | 1,200,000    | 0            | 0            |
| Mike Owen       | Zero Based Budgets and Business Planning | Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop.          | 0            | 4,242,655    | 2,967,906    |



| Portfolioholder | Redesign Piece                           | Proposal   | 2014/15<br>£ | 2015/16<br>£ | 2016/17<br>£ |
|-----------------|--|--|--------------|--------------|--------------|
| Mike Owen       | Zero Based Budgets and Business Planning | Review of corporate budgets to meet expected demand across the authority in relation to; removal of borrowing requirements through the generation of capital receipts, increased generation of interest on balances, baselining of an element of New Homes Bonus, review of the baseline contribution to reserves and removal of the on-going Transformation budget, replacing it with an invest to save fund. | 5,000,000    | 1,500,000    | 1,500,000    |
| Mike Owen       | Zero Based Budgets and Business Planning | Review of budgets set aside for Members, reflecting future requirements ie reduced printing costs.   | 88,000       | 0            | 0            |
|                 |  | Total  | 14,186,262   | 7,718,117    | 4,804,213    |

### New Delivery Proposals – Resources and Support

| Portfolioholder | Redesign Piece            | Proposal   | 2014/15<br>£ | 2015/16<br>£ | 2016/17<br>£ |
|-----------------|---------------------------|--|--------------|--------------|--------------|
| Mike Owen       | Sell assets we don't need | Ptarmigan Building - Installation of new toilets: Required to increase occupancy of building as in currently restricted on health & safety grounds. Scheme linked to Accommodation Strategy and will enable more staff to be located in the Ptarmigan Building, releasing other properties for disposal. | 40,000       | -            | -            |

| Portfolioholder | Redesign Piece            | Proposal  | 2014/15<br>£ | 2015/16<br>£ | 2016/17<br>£ |
|-----------------|---------------------------|---|--------------|--------------|--------------|
| Mike Owen       | Sell assets we don't need | "Corporate Landlord: As part of the Corporate Landlord model some capital investment may be required where a major maintenance liability is identified, where condition has deteriorated to such an extent, due to pressure on the Corporate Repairs & Maintenance budget.<br><br>Some capital expenditure may also be required in order to enable the future disposal of some properties, such as where access to a property needs to be split. These will be considered based on individual project appraisals and should be self financed as these works will enable a further assets to be disposed, although there may be a short term pressure as the works will be required in advance of the disposal and may cross financial years." | TBC          | TBC          | TBC          |
| Mike Owen       | Sell assets we don't need | Refit of Buildings: Estimate of likely costs of refitting buildings due to accommodation moves required but could be higher depending on the option chosen.   | 600,000      | -            | -            |
| Mike Owen       | Sell assets we don't need | Lync Telephony Rollout: Purchase of handsets, supplemented by revenue funding.  | 300,000      | -            | -            |
| Mike Owen       | Sell assets we don't need | Move Exchange infrastructure to "Cloud": Migration required. Hardware refresh required in 2014 at £500k which means the shift to Cloud is cheaper. Relocation costs negated. Further details required to establish if eligible capital expenditure.   | 200,000      | -            | -            |
| Mike Owen       | Outcomes for Customers    | University Project: Work being undertaken around getting the university up and running.   | TBC          | TBC          | TBC          |

| Portfolioholder | Redesign Piece                          | Proposal   | 2014/15<br>£ | 2015/16<br>£ | 2016/17<br>£ |
|-----------------|---|--|--------------|--------------|--------------|
| Mike Owen       | Trade for Public Profit                 | Replacement of Ballot Booths: Replacement of 143 Ballot Booths for Health & Safety Reasons - will generate more income from hiring out.  | 43,615       | -            | -            |
| Mike Owen       | Stop Waste                              | Implementation of new Disaster Recovery system, decommissioning legacy systems and implementation of single view of the customer system. | 956,000      | -            | -            |
| Mike Owen       | Zero based budget and business planning | Electronic Mail Room Implementation. Further details required to establish if eligible capital expenditure.                              | 500,000      | -            | -            |
| Mike Owen       | Zero based budget and business planning | Procure to Pay (P2P): Potential Investment required if new system to be implemented.   | 100,000      | -            | -            |
|                 |   | Total  | 2,739,615    | TBC          | TBC          |

## Strategic Financial Overview – Revenue

**This overview includes the latest estimates of the Council's revenue resources and expenditure. It is set in the context of the Council's other key strategic documents, in particular, the Treasury Management Strategy and the Capital Strategy which is now incorporated within the Business Plan.**

The Draft Council Business Plan and Financial Strategy considered by Cabinet on 13 November 2013 provided details of the council's financial projections for resources and expenditure over the 3 year period 2014-17. In January, Cabinet received an update to the Business Plan and Financial Strategy which included the latest resource and expenditure projections following the draft Local Government Finance Settlement for 2014 to 2015 and further information on the proposals to meet the funding gap identified of £80m over the period 2014-2017.

The Final Council Business Plan and Financial Strategy includes the latest financial position for 2014/15 following the Final Local Government Finance Settlement announced on 5 February 2014. The resource and expenditure projections have also been updated for the latest estimate of the Council's share of Business Rates, the collection funds for council tax and business rates and further information received on specific grants for 2014/15.

### **Resource and Expenditure Projections 2014/15, 2015/16 and 2016/17**

#### **Summary**

The Council's Gross Budget for 2013/14 is £624.7m. Throughout 2013/14, Cabinet has considered reports identifying the latest position on the Council's resource and expenditure projections for the period 2014-17. The updates throughout the year have used the most up to date information on budget monitoring, current and future service pressures, government funding and council tax income projections. This final report will include an update including the adjustments required arising from the Final Local Government Finance settlement, latest estimates of council tax and business rates income and the estimated positions on the business rates and council tax collection funds. The report will also adjust for changes to specific grants.

Table 1 below provides a summary of resource and expenditure projections which are then explained in more detail in the sections below:

**Table 1: Resource and Expenditure Projections 2014-2017**

|              | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 |
|--------------|------------------|------------------|------------------|
| Resources    | 572,138          | 558,886          | 548,424          |
| Expenditure  | 613,669          | 620,553          | 628,424          |
| Funding Gap  | -41,531          | -61,667          | -80,000          |
| Year on Year |                  | -20,136          | -18,333          |

## Resource Projections

The Final Local Government Finance Settlement 2014/15 was announced on 5 February 2014. The settlement also provided illustrative figures for 2015/16. The final settlement shows a small improvement on Revenue Support Grant in 2014/15 from the draft settlement announced on 18 December 2013 of £0.013m due to an increase in the returned holdback included.

The estimate of the amount to be returned during the year for unused topsliced funding relating to New Homes Bonus has also been reviewed following the final settlement. This figure has reduced from the initial estimate of £0.667m to £0.155m, a reduction of £0.512m.

The key messages from the Finance Settlement are identified below:

- Council tax freeze grant for 2013/14 has been rolled into general funding rather than being a separate specific grant. There is no overall change to Shropshire resource projections from this as it is a switch from specific grants to general funding, however, it does provide some more certainty that this funding will continue at some level in future years.
- Funding for sparse authorities has also been rolled into base funding. This is £0.776m for Shropshire. This is new funding for the Council as last year's funding was assumed to be received on a one off basis.
- Other changes around top up and returned top slices have been made to reflect the government's latest information on these amounts.

- The inflationary increase for Business Rates has been capped at 2%, 1.2% less than the September RPI index which is usually used. The financial effect of this and other discretionary reliefs introduced by the government for small businesses and empty properties will be compensated for by a grant payment to local authorities in 2014/15 and 2015/16.
- There will not be a topslicing of New Homes Bonus (NHB) funding in 2015/16 and future years which was due to be allocated to Local Enterprise Partnerships (LEPs)

The resource projections use the Council's own estimate of locally retained Business Rates. The 2014/15 estimate for locally retained Business Rates has been updated based on the authority's National Non Domestic Rates return to central government on 31 January 2014, referred to as NNDR 1, which provides details of the net yield from business rates after reliefs, allowable charges on the fund and provisions for bad debts and appeals. This has resulted in a reduction in the estimate of locally retained business rates of £0.352m.

In December 2013, Council approved the Council Tax taxbase at 100,475.19 Band D equivalents. This taxbase assumes a collection rate of 97.5% and assumptions about the reduction in taxbase due to council tax support based on information in November 2013.

The estimates for the Council's share of the council tax and business rates collection funds for 2013/14 have recently been calculated and this has resulted in a total increase in resources in 2014/15 on a one off basis of £1.033m. This is made up of an estimated surplus in the council tax collection fund of £2.018m and an estimated deficit in the business rates collection fund of £0.985m.

The council tax collection fund estimated surplus is as a result of an increase in both tax base and collection rate from the original estimate. The business rates estimated collection fund deficit is mainly as a result of the original estimates including a projection of growth in the total business rates arising from one property which did not materialise in the year. It should be noted that in 2013/14, the council will receive a grant to compensate for additional relief offered to small businesses under central government policies. In 2014/15 this grant will continue and additional grant amounts will be paid to compensate for new initiatives announced as part of the Autumn Statement.

In 2013/14 a provision was established for Business Rates appeals. The amount estimated and set aside was £2.277m. The latest information for 2013/14 indicates that £1.098m of this provision has been utilised to date and that the level of the

provision needs to be £1.821m at the end of 2013/14 which has meant a further net contribution of £0.642m has been necessary from the 2013/14 Business rates collection fund. The latest estimates of year on year increases required to this provision to cover potential appeals from each new year liability raised indicate the existing base budget contribution of £2.277m can potentially be reduced. This will be reviewed in future financial strategies when 2013/14 financial year has been closed and the final position on Business Rates and appeals is known.

The above changes have meant that the net budget has increased from that reported in January 2014 by £0.182m additional resource. This has been reflected in the expenditure estimates by an addition to the resources available to offset 2014/15 savings which now stands at £6.262m in total, £2.454m arising from increased resource projections.

The resource projections have also been updated for the latest information on specific grants and other income. In addition, changes arising from a review of internal market charges have been made. The internal market charges for 2014/15 and future years have been adjusted for in the gross budget to ensure the cost of these services and the recharged cost for these services are no longer both reflected in the gross budget. This reduces both resources and expenditure projections. The total change in income outside of the net budget is -£44.254m. This is made up of an increase in specific grants of £0.603m and a change of -£44.857 arising from review of internal market and other income charges and exclusion of the gross internal market charges.

The total change in resources projection is £44.072m, taking account of the increase in net resources of £0.182m and the reduction in income of £44.254 detailed above. The revised resources projection for 2014/15 is £572.139m.

In 2015/16, the net budget has reduced by £0.624m due to a combination of a reduction in the Business rates projection to be retained locally and also a reduction in the figure for returned top sliced amounts as detailed in the final Local Government Finance Settlement. The gross income figure has reduced in total by £42.154m, the additional £41.529m being a combination of a reduction due to the internal market of £44.857 and an increase in specific grants of £3.327m. It is important to stress that the changes outside of the net budget are made on both the resources and expenditure side so do not affect the Council's projections on required savings.

The latest Resource projections are detailed in Annex 1.

## Expenditure Projections

The Council Business Plan and Financial Strategy 2014-2017 considered by Cabinet on 15 January 2014 included growth of £45.264. The latest estimates have been adjusted to reflect additional specific grants and give total growth of £48.592m over the 3 year period 2014-17. This is detailed in the table 2 below. The calculation of growth was reviewed for Cabinet in January and is now included in Annex 2 for information.

**Table 2: Growth in Budget 2014-17**

|   | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 |
|---|------------------|------------------|------------------|
| 2013/14 Budget Issues   | 10,088           |                  |                  |
| Grant net changes   |                  | 2,725            |                  |
| Additional Growth   |                  |                  |                  |
| – Carbon Management   | 372              |                  |                  |
| – Review of recharges outside General Fund                        | 525              |                  |                  |
| – Asset Sales – Removal of Income streams                         | 37               |                  |                  |
| – Further review of budget issues impacting on 2014/15 and beyond | 1,085            | 50               | 50               |
| Adjustments to offset growth                                      |                  |                  |                  |
| – New Homes Bonus   | -1,106           | -1,609           | -1,909           |
| – Debt Charges and Interest on Balances                           | -76              |                  |                  |
| Inflation   |                  |                  |                  |
| – Pay   | 955              | 885              | 839              |
| – Increments  | 897              | 497              | 281              |
| – Prices  | 2,759            | 2,852            | 3,006            |
| – Pensions  |                  |                  | 3,500            |
| Debt Charges (used as saving )                                    | 1,000            | 1,000            | 1,000            |



**Table 2: Growth in Budget 2014-17 cont.**

|  | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 |
|--|------------------|------------------|------------------|
| Demography   |                  |                  |                  |
| – Adults – current year pressure                   | 9,300            |                  |                  |
| – Adults – future years                            | 1,867            | 1,758            | 1,500            |
| – Children's – current year pressure               | 2,800            |                  |                  |
| – Children's – future years                        | 772              | 1,183            | 1,183            |
| Adjustment to base for Reserves contribution       | -5,000           |                  |                  |
| Adjustment to base for Elections budget in 2013/14 | -700             |                  |                  |
| Investment Fund to replace Transformation Funding  | 2,000            | -2,000           |                  |
| Repayment to Provisions for Redundancy Costs       |                  |                  | 2,000            |
| Subtotal Growth                                    | 27,575           | 7,341            | 11,450           |
| Contribution to Savings from                       |                  |                  |                  |
| – review of expenditure projections                | 3,808            | 2,168            | -3,750           |
| – revision of resources projections                | 2,454            | -2,454           |                  |
|  |                  | -170             | 170              |
| Total Growth                                       | 33,837           | 6,885            | 7870             |

### Impact of Transfers to ip&e on the Council's Budget

In August 2013 Media services, now known as ThreeSixty Communications transferred to ip&e. Details of the media services budget were reported as part of the Financial Strategy report to Cabinet on 24 July 2013. As part of negotiations with ip&e and with the requirement for the Council to achieve £80m of savings over the next 3 financial years, savings have been achieved from in the Council's budget available to commission work from ThreeSixty Communications.

In 2014/15, the Project Programme Management Office and the Business Design team are being considered for transfer to ip&e. Together these services are to be known as “Change for the best”. A review of the budgets available to commission the transferred services has been undertaken. Again, this budget has been reduced year on year in line with the reductions other budgets remaining with the council are subject to. The budgets available to commission services from ip&e in 2014/15 have been identified as follows:

**Table 3: budgets identified to commission services from ip&e**

|  | 2014/15<br>£   | 2015/16 -Estimate<br>£ | 2016/17 - Estimate<br>£ |
|--|----------------|------------------------|-------------------------|
| Programme Management Office            | 348,670        | 315,160                | 186,660 (TBC)           |
| Business Design Team                   | 252,060        | 209,160                | 166,260                 |
| <b>“Change for the Best” sub total</b> | <b>600,730</b> | <b>524,320</b>         | <b>352,920</b>          |
| ThreeSixty Communications              | 302,380        | 272,680                | 242,980                 |
| <b>Total</b>                           | <b>903,110</b> | <b>797,000</b>         | <b>595,900</b>          |

The budget for “Change for the Best” for 2016/17 has still to be agreed. It can be seen that a substantial reduction has been made to the budgets available to commission services. It is envisaged that the services within ip&e will strive to generate external income to offset the reductions in council spending. Alternatively, savings will need to be found from expenditure budgets.

A report providing a Business Case for the transfer of services to ip&e and seeking approval for this will be reported to Cabinet in March 2014.

As further services are considered for transfer to ip&e, full consideration will be given to the budget available both in the current year and future years for the council to commission transferring services. Services transferring will be clear about future savings to be made by the council from the budget available to commission services from ip&e.

## Savings Targets and Proposals

The updated resources and expenditure projections are shown in Table 1 above and result in the funding gap previously reported to Cabinet of £80m over the 3 year period.

Proposals identified are summarised in Table 4 below with more detail provided under the individual services shown earlier in the Business Plan under the section on “Our Approach”.

**Table 4: Proposals Identified to Manage the Funding Gap**

|                                 | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 |
|---------------------------------|------------------|------------------|------------------|
| Proposals Identified            | 39,892           | 24,614           | 18,695           |
| Less Year 3 Savings Contingency |                  |                  | (3,201)          |
| Cumulative Total                |                  | 64,506           | 80,000           |

The proposals identified over the 3 year period 2014/15 to 2016/17 exceed the target of £80m. There is, however, a shortfall of 1.639m based upon the current profile for 2014/15. The proposals put forward for 2014/15 have also been subject to a review to consider risks associated with delivery within available timescales as follows:

- Red – More work needs to be undertaken to turn this idea for redesign or prototype into an operational plan with timescales
- Amber – Operational change identified but programme and timescales need to be worked through in more detail before delivery
- Green – Operational change identified with time scale quantified and understood, just needs to be delivered

As part of budget assurance, it would be reasonable to assume that close to 100% of the Green and Amber category proposals can be implemented, but it would be prudent to assume that a proportion of Red Category proposals may slip, or with further refinement, may not be achievable to the level assumed. Table 6 below provides a summary of the 2014/15 proposals over the categories identified above.

**Table 5: Savings Proposals Deliverability**

|                          | £'000  |
|--------------------------|--------|
| Green Category Proposals | 15,930 |
| Amber Category Proposals | 9,030  |
| Red Category Proposals   | 14,932 |
| Total                    | 39,892 |

As noted in the previous paragraph, revision and rephrasing of growth proposals can reduce the funding gap by up to £6.262m in 2014/15 on a one-off basis. Our planning assumptions are that the first call on this will be the funding of the shortfall on savings identified in 2014/15 of £1,639m. After allowing for this, it appears that the total value of all proposals currently (including rephrasing of growth) exceed the funding gap identified in 2014/15, however, the timing of delivery and the scale of proposals to be implemented in a short time period still represent a significant risk to the authority. For this reason, it is essential that the Council has a reasonable level of reserves in place to help mitigate against this risk.

As at period 9 monitoring, the General Fund Balance has a projected balance of £12.055m although this is likely to change before year end, and any reduction in the projected overspend position identified at Period 9 would increase these levels.

The Council's policy is that a minimum General Fund Balance equivalent to 0.5% of the gross budget should be maintained. A minimum balance under this policy would therefore be £3.094m for 2014/15.

Taking all of the above factors into account, therefore, the Council now has a realistic and robust plan to deliver a balanced budget over the short and medium term. However, while this strategy provides a plan for delivering a balanced budget, the impact on current services, level of savings, scale of change, reduction in resources and increase in uncertainty will all require careful and robust management over the next three years.

## **Longer Term Financial Outlook**

Details of how the Council is working differently now and how this will develop over the coming years are set out earlier in this document under the 5 individual service areas.

## Strategic Financial Overview – Capital

This overview updates the Capital Programme for the period 2014/15 to 2016/17, based on current confirmed funding and delivery schedule for schemes. This is not a full review and revision of the Capital Strategy at this point of the year as the Council's focus has been on the delivery of revenue savings, however the introduction of schemes assisting this work are now being considered.

A number of new schemes have been proposed for inclusion in the programme, financed from Corporate Resources. These schemes will potentially deliver revenue savings for the Council, however further work is required to develop these proposals into comprehensive capital appraisal documents that can be formally approved. This activity takes place between February and July and formal approval of these schemes will be sought in July Council. These schemes will be prioritised based on the fit with the business plans of the service and the revenue savings the schemes will generate. The capital cost of the schemes will also need to be affordable within the projected available capital receipts.

### Capital Allocations 2014/15 to 2016/17

The capital programme report 2013/14 to 2016/17, approved Council 28 February 2013, contained a combination of confirmed and indicative allocations of capital grants. Where the Council has received updated confirmed allocations, these have been built into the capital programme. Any changes to capital allocations have been pass-ported through to the service area. The following section details these allocations.

#### Department of Education – Schools Programme

The Department of Education has confirmed Basic Need allocations totalling £4m for the period 2014/15 to 2016/17 and new funding of £587,000 for Infant Free School Meals. Condition funding of £4,275,499 and Devolved Formula Capital of £820,841 I have also been confirmed for 2014/15. These are broadly in line with previous year's capital funding, taking into account the further schools that have transferred to Academies.

In addition to the new funding allocations expected for 2014/15 there is significant funding that has been brought forward from previous year's capital programmes. The table below summarises the funding estimated to be available in the 2014/15 Learning & Skills Capital Programme:

**Table 1: Learning & Skills Capital Funding**

| Funding                                       | B/F Funding<br>£ | 14/15 New<br>Allocation £ | 14/15 Total<br>£  | 15/16<br>Allocation | 16/17<br>Allocation |
|---|------------------|---------------------------|-------------------|---------------------|---------------------|
| Basic Need                                    | -                | 492,821                   | 492,821           | 1,709,784           | 1,795,273           |
| Universal Infants<br>Free School Meals        | -                | 587,365                   | 587,365           | -                   | -                   |
| Condition                                     | -                | 4,275,499                 | 4,275,499         | -                   | -                   |
| DFC   | 1,365,684        | 820,841                   | 2,186,525         | -                   | -                   |
| Capital Receipts                              | 5,232,413        | -                         | 5,232,413         | -                   | -                   |
| Section 106                                   | 42,228           | -                         | 42,228            | -                   | -                   |
| Revenue<br>Contributions<br>(school Balances) | 8,152            | -                         | 8,152             | -                   | -                   |
| <b>Total</b>                                  | <b>6,648,477</b> | <b>6,176,526</b>          | <b>12,825,003</b> | <b>1,709,784</b>    | <b>1,795,273</b>    |

This funding has been allocated by programme areas as detailed in the Capital Programme (see annex 4). This is a combination of schemes slipped from 2013/14, multi-year schemes and allocations by programme area, which will be allocated to specific schemes based on school priorities. Learning & Skills have developed a programme to utilise all the above funding that is available to them in 2014/15, with Condition works being the largest area of the programme. Further consideration will be made to the deliverability of a programme consisting of the brought forward funding and the 2014/15 funding in the financial year, once the full programme of schemes is allocated.

Other than the new Basic Need allocations, no funding is currently programmed beyond 2014/15 as this is subject to ongoing discussion by Department of Education as to how capital funding will be provided in the future. £2.35m is currently projected to be generated in future years from the disposal of surplus former school sites, following school amalgamations. These receipts are ring fenced for investment in schools as previously agreed by Council as part of the amalgamation programme.

### Department of Transport - Local Transport Plan (LTP)

Department of Transport funding for Highways was detailed in a 4 year settlement in 2011 and 2014/15 is the final year of this settlement. The Shropshire allocation for 2014/15 is detailed in the table below:

**Table 2: Department of Transport LTP allocations**

| Funding   | 14/15 Allocation  |
|---|-------------------|
| Highways Maintenance                                      | 11,973,000        |
| Highways Maintenance - Additional Funding                 | 1,227,000         |
| Integrated Transport                                      | 2,385,000         |
| Local Sustainable Transport Fund (Specific bid for grant) | 714,000           |
| <b>Total</b>  | <b>16,299,000</b> |

In addition to the above, a £125,000 revenue contribution is included in the programme for Street Lighting and £265,000 Commuted sum funding is included in the bridges programme. The outline proposed Highways and Transport capital programme is included in this document, rather than as a separate report later in the year, as in previous years.

The detailed programme is included in annex 6 to this document and a summary including funding is provided in Table 3 on the following page.

**Table 3: Highways Capital Programme & Financing 2014/15**

|                                   | B/F Funding<br>£  | 14/15 New<br>Allocation £ | 14/15 Total<br>£ | 15/16<br>Allocation £ | 16/17<br>Allocation £ |
|-----------------------------------|-------------------|---------------------------|------------------|-----------------------|-----------------------|
| Highways                          |                   |                           |                  |                       |                       |
| Structural Maintenance of Bridges | 1,366,100         | -                         | -                | 264,606               | 1,630,706             |
| Structural Maintenance of Roads   | 11,458,900        | -                         | -                |                       | 11,458,900            |
| Street Lighting                   | 375,000           | -                         | -                | 125,000               | 500,000               |
| Total Highways                    | 13,200,000        | -                         | -                | 389,606               | 13,589,606            |
| Integrated Transport              |                   |                           |                  |                       |                       |
| Network Management and Efficiency | -                 | 849,977                   | 114,000          | -                     | 963,977               |
| Public Transport                  | -                 | 100,000                   | 50,000           | -                     | 150,000               |
| Walking and Cycling               | -                 | 457,680                   | 550,000          | -                     | 1,007,680             |
| Safety and Speed Management       | -                 | 977,343                   | -                | -                     | 977,343               |
| Total Integrated Transport        | -                 | 2,385,000                 | 714,000          | -                     | 3,099,000             |
| <b>Total</b>                      | <b>13,200,000</b> | <b>2,385,000</b>          | <b>714,000</b>   | <b>389,606</b>        | <b>16,688,606</b>     |

The highways capital maintenance programme is developed based on an Asset Management approach. With funding allocations based on using network intelligence gained from routine condition surveys as well as other sources of information; investment will be prioritised where it will achieve the greatest returns.

Integrated transport schemes are prioritised based on the contributions to key objectives such as safety, network efficiency, environmental benefits and levels of local support.

No funding is currently included beyond 2014/15. Department of Transport are currently consulting on a new policy for local authority highways maintenance funding from 2015, which will be used to distribute highways maintenance funding from 2015/16 to 2020/21. Previous indications had been that highways maintenance funding will continue at similar levels, but Integrated Transport funding will decrease.



## **DCLG - Disabled Facilities Grants**

The Department of Communities and Local Government have not confirmed Disabled Facilities Grant (DFG) allocations for 2014/15, but the allocation is assumed to be in line with previous allocation of around £1.1m.

From 2015/16 funding will be provided by the Department of Health, rather than DCLG. The DFG funding will be included in the new Integrated Transformation Fund. This is described as a 'single pooled budget for health & social care services to work more closely together in local areas based on a plan agreed between the NHS & local authorities'. This will be a pooled budget, which will be allocated based on local priorities. Currently no projections are available for what funding Shropshire will receive from 2015/16 onwards.

## **Department of Health - Adult Social Services**

Further funding of £764,663 has been allocated to Shropshire for 2014/15. In October 2013 a report was approved by Cabinet for the Development of Supported Living Services for Adults with Learning Disabilities. Namely the development of 4 further Supported Living bungalows at Adderley Road, Market Drayton; London Road, Shrewsbury and two further sites to be identified. These developments will be part financed by the Development Trust, but will also require some match funding by the Council. It is planned to allocate the 2014/15 Adults capital grant towards these developments and work is ongoing to develop the plans and costs for each site and until that is in place, the funding from the Development Trust cannot be confirmed. Based on a provisional estimate of when works will take place, this funding has been split across 2014/15 and 2015/16. These schemes will potentially deliver financial savings across both the health and social care economy through remodelled services and better outcomes for individuals.

Further funding of £970,000 is included in the Adult Social Care capital programme for 2014/15, which is funding re-profiled from previous years. Plans are being developed to allocate these monies to schemes in accordance with the priorities in the Adult Services business plan.

## Housing Revenue Account (HRA)

Under the self-financing regulations, the Council has a 5-year transitional period to implement component-based depreciation for the HRA. Once implemented, this will be used to determine the level of capital investment required in the housing stock. As allowed in the transitional period, the Council will use the baseline Major Repairs Allowance (MRA) figure in the HRA self-financing determination for Shropshire as the basis for the amount allocated for capital investment in 2014/15 and 2015/16. For this period the MRA figure is around £4m in each year, £3.2m of which will be allocated to Major Repairs Capital works, with the balance retained for New Build capital works or possible repayment of HRA debt.

In addition to the £3.2m allocated in 2014/15, £1.1m has been previously re-profiled from previous years, making a total Major Repairs Programme budget of £4.3m. £3.85m of this budget has been allocated to improvement programmes, with £430,000 still to be allocated. The New Build Programme is also ongoing in 2014/15, with £5.8m allocated in the programme and the majority of works due to complete in 2014/15.

## Corporately Financed capital schemes

Previous Capital Strategies have reduced the number of corporately financed schemes to align the programme to available resources and avoid the unaffordable ongoing revenue costs of borrowing to finance the programme. Following these previous reviews there is limited scope to make further savings in the existing capital programme; especially as given the nature of capital schemes, a number of schemes are ongoing across financial years with contracts in place to deliver these schemes. This document is not a full review and revision of the Capital Strategy and as such no new Corporately Financed schemes have been added to the programme. However, there are opportunities to re-profile areas of the capital programme.

The significant changes to corporately financed schemes in the capital programme for are summarised below:

- Re-profiling of Council funding for the Shrewsbury Vision as part of the Riverside Development. Originally £3.75m was included for 2015/16, however £250k has now been brought forward to 2014/15 to fund known pressures and the remaining rescheduled until 2016/17.

- Re-profiling of Small Business Loans by bringing £140k forward into 2014/15 to match contracts already entered into.
- Reduction of the Disabilities Discrimination Act Capital Budget to £50k per annum to reflect that works have been delayed due to Placed Based Review / Accommodation Rationalisation, but also provide funding to meet the Council's Legal obligations.
- The £1.12m that was carried forward as a Highways underspend from 2012/13 and then re-profiled to 2014/15 to ease pressure on capital receipt generation in 2013/14 has been re-allocated to the Depot Redevelopment budget in 2013/14 and 2014/15 in place of part of the self-financed prudential borrowing funding. This will enable the service to make a revenue savings as they will have reduced debt financing charges.

These changes have resulted in a net decrease of £0.05m in corporately financed schemes across the three year term of the capital programme and have re-profiled expenditure across the years of the programme, providing increased opportunity for receipts to be generated to avoid the requirement for any corporately financed prudential borrowing.

### **Capital Programme 2013/14 to 2016/17**

The revised capital programme, following the grant changes and the review of the capital programme is detailed in Annex 4 and a summary of the programme is provided in Table 4.

**Table 4: Capital Programme 2014/15 to 2015/16**

| 2013/14<br>Budget<br>£ | Service Area              | 2014/15<br>Budget<br>£ | 2015/16<br>Budget<br>£ | 2016/17<br>Budget<br>£ |
|------------------------|---------------------------|------------------------|------------------------|------------------------|
|                        | <b>General Fund</b>       |                        |                        |                        |
| 34,370,972             | Commissioning             | 33,394,659             | 8,152,534              | 3,500,000              |
| 802,621                | Adult Services            | 1,419,791              | 314,663                | -                      |
| 11,689,304             | Children's Services       | 13,173,406             | 1,709,784              | 1,795,273              |
| 1,198,883              | Resources & Support       | 268,000                | 50,000                 | 50,000                 |
| <b>48,061,780</b>      | <b>Total General Fund</b> | <b>48,255,856</b>      | <b>10,226,981</b>      | <b>5,345,273</b>       |
| 3,994,173              | Housing Revenue Account   | 10,090,890             | 3,287,090              | -                      |
| <b>52,055,953</b>      | <b>Total</b>              | <b>58,346,746</b>      | <b>13,514,071</b>      | <b>5,345,273</b>       |

Based on the capital programme in Table 4, the financing of the capital programme is detailed in Table 5.

**Table 5: Capital Programme Financing 2014/15 to 2016/17**

| 2013/14<br>Budget<br>£ | Financing  | 2014/15<br>Budget<br>£ | 2015/16<br>Budget<br>£ | 2016/17<br>Budget<br>£ |
|------------------------|--|------------------------|------------------------|------------------------|
| (73,612)               | Self Financed Prudential Borrowing                           | 261,142                | -                      | -                      |
| 29,306,851             | Government Grants  | 34,408,091             | 1,709,784              | 1,795,273              |
| 1,156,309              | Other Grants   | 442,303                | -                      | -                      |
| 1,484,621              | Other Contributions  | 382,512                | -                      | -                      |
| 4,067,662              | Revenue Contributions to Capital                             | 2,805,294              | 311,400                | -                      |
| 2,616,591              | Major Repairs Allowance                                      | 6,293,314              | 3,200,000              | -                      |
| 13,497,531             | Corporate Resources (Capital Receipts/ Prudential Borrowing) | 13,754,090             | 8,292,887              | 3,550,000              |
| <b>52,055,953</b>      | <b>Total Financing</b>                                       | <b>58,346,746</b>      | <b>13,514,071</b>      | <b>5,345,273</b>       |

## **Proposed Future Schemes**

Due to current uncertainties around future capital finance resources, both in terms of external grant funding and internal capital receipts to be generated from the disposal of surplus assets, the Council is currently not in a position to produce a new comprehensive Capital Strategy for future years. This document is a holding position based on the previous strategy.

Work is ongoing to develop new schemes in line with the Business Plans of Services and for schemes that will generate ongoing revenue savings. A number of new schemes have been proposed for inclusion in the programme, financed from Corporate Resources and are detailed in annex 5. Further work is required to develop these proposals into comprehensive capital appraisal documents that can be formally approved. This activity will take place between February and July and formal approval of these schemes will be sought in July Council. These schemes will be prioritised based on the schemes fit with the business plans of the service and the revenue savings the schemes will generate and also depending on the level of available capital receipts.

## **Capital Receipts**

Capital receipt projections are based on current projections of assets to be disposed, the estimated capital receipt they will generate from disposal and the financial year in which the disposal will be completed. There is a high level of risk in these projections as they are subject to changes in property and land values and the actions of potential buyers. Based on the current projected capital receipts and the revised allocated capital receipts (Table 5); Table 6 shows the capital receipts position across the years of the capital programme.

**Table 6: Capital Receipts Projections 2014/15 to 2016/17**

|   | 2014/15<br>£      | 2015/16<br>£     | 2016/17<br>£     |
|---|-------------------|------------------|------------------|
| Corporate Resources Allocated in Capital Programme  | 13,754,090        | 8,292,887        | 3,550,000        |
| To be allocated from Ring Fenced Receipts   | 1,885,239         | 1,456,660        | 1,762,500        |
| <b>Total Commitments</b>  | <b>15,639,329</b> | <b>9,749,547</b> | <b>5,312,500</b> |
| <b>Capital Receipts in hand/projected:</b>  |                   |                  |                  |
| Estimated carry forward   | 5,861,934*        |                  |                  |
| Projected - "Highly Likely" (see below)   | 7,154,465         | 2,380,000        | 4,000,000        |
| <b>Total in hand/projected</b>  | <b>13,016,399</b> | <b>2,380,000</b> | <b>4,000,000</b> |
| <b>Shortfall / (Surplus) to be financed from additional capital receipts / Prudential Borrowing</b> | <b>2,622,930</b>  | <b>7,369,547</b> | <b>1,312,500</b> |
| Further Assets Being Considered for Disposal  | 13,593,915        | 6,836,250        | 3,595,000        |

\* Dependant on outturn position 2013/14 and capital receipts generated in 2013/14.

The above capital receipt projections for 2014/15 to 2016/17 are based on current scheduled disposals that are profiled for each year. All receipts have been RAG rated (Red, Amber, Green), those listed as Green are where it is rated as 'highly likely' that the disposals will be completed in year. In addition to these there are a number of further disposals that have been identified for potential disposal in future years. These receipts hold significant risk against delivery and therefore until the plans for disposal against these assets are formally agreed, these will not be included when considering the programmes affordability. On the basis that the current programme is unaffordable, further work is required on the deliverability of the list of assets being considered for disposal.

If the Council cannot generate the required level of capital receipts, the Council will need to further reduce or re-profile the capital programme or undertake prudential borrowing, which will incur revenue costs that are not budgeted in the revenue financial strategy.

## **Self-Financing Prudential Borrowing Schemes**

The capital programme also includes schemes to be financed from self-financed prudential borrowing. The borrowing costs of which will be financed from the revenue savings generated from the schemes. Following change to the schemes in the capital programme the only remaining profiled borrowing is for the Highways Depots Redevelopment scheme. It is hoped this will not now be required based on the level of works required, but if it is the revenue costs will be financed from savings generated in future years under the Highways Maintenance contract.

## **Capital Allowance for Housing Capital Receipts**

The local Authorities (Capital Finance and Accounting) (England) Regulations 2003 require the Council to pay into the national housing pool 75% of the capital receipt in relation to the disposal of a council dwelling through Right to Buy and 50% of the capital receipt in relation to the disposal of any other interest in Housing Revenue Account (HRA) assets. Any single receipt of less than £10,000 in value is exempt. The other 25% or 50% respectively remains with the Council for investment in other capital projects at the discretion of the Council; this can include either housing or non-housing schemes.

The Council can avoid the pooling payment and therefore maximise funds for Council use by setting a Capital Allowance, approved by Full Council. This states that these receipts will be reserved for expenditure on affordable housing and regeneration, including expenditure on the Council's housing stock. The capital allowance once created is then used to reduce the amount which is required to be pooled by offsetting relevant receipts against it. The capital allowance can be increased at any time as approved by Full Council and decreases ("extinguished") by the amount of capital receipts received and applied to fund qualifying expenditure.

For 2014/15 it is proposed to set a Capital Allowance of £1 million and that capital receipts received will be reserved for expenditure on the council's housing stock. This is based on the maximum anticipated level of receipts that could be generated in 2014/15.

# Annex 1 – Resource Projections 2014-17

|  | 2013/14<br>REVISED        | 2014/15<br>REVISED        | 2014/15<br>REVISED        | 2014/15 & Beyond Notes & Assumptions  | 2015/16<br>REVISED        | 2015/16<br>REVISED        | 2016/17<br>ORIGINAL       | 2016/17<br>ORIGINAL       |                   |
|--|---------------------------|---------------------------|---------------------------|---|---------------------------|---------------------------|---------------------------|---------------------------|-------------------|
|  | Cabinet<br>13th Nov. 2013 | Cabinet<br>15th Jan. 2014 | Cabinet<br>12th Feb. 2014 |   | Cabinet<br>15th Jan. 2014 | Cabinet<br>12th Feb. 2014 | Cabinet<br>15th Jan. 2014 | Cabinet<br>15th Feb. 2014 |                   |
| <b>RSG</b>   | 67,074,002                | 57,044,734                | 57,058,059                | Figures as published on 5 February 2014 for the Local Government Final Finance Settlement 2014/15 and Provisional 2015/16. 2016/17 estimates adjusted for Council tax freeze grant only.<br>Adjustment Further to Summer 2013 Consultation<br>NNDR1 2014-15 figure. The deficit on the collection fund from the previous year, shown below, is netted off.<br>Figure as per CLG 2014/15 Final Local Government Finance Settlement<br><br>Final Local Government Finance Settlement<br>This may be an in year bonus. More information required<br><br>Actual taxbase for 2014/15 and 0.2% increase in Council Tax Taxbase assumed in 2015/16 and 2016/17<br>Assumed same reduction in Council Tax taxbase due to local Council Tax Support<br><br>Council tax freeze assumed<br><br>Revised Estimate of Collection fund Surplus as at 31 January 2014<br>Estimate of Business Rates Collection Fund as at 31 January 2014, submitted on 2014/15 NNDR 1 | 41,368,409                | 41,368,409                | 30,211,097                | 31,230,562                |                   |
| <b>Business Rates Retention Allocation:</b>                            |                           |                           |                           |   | 38,677,343                | 38,325,286                | 38,677,343                | 38,325,286                |                   |
| NNDR (as raised and then retained locally) including appeals provision | 38,370,381                | 38,677,343                | 38,325,286                |   | 10,119,908                | 10,119,908                | 9,956,192                 | 9,956,192                 |                   |
| Top Up   | 9,659,912                 | 9,848,092                 | 9,848,092                 |   |                           |                           |                           |                           |                   |
| Safety Net Payments  |                           |                           |                           |   |                           |                           |                           |                           |                   |
| NDR Surplus/Deficit on Collection Fund                                 |                           |                           |                           |   |                           |                           |                           |                           |                   |
| Prior year adjustments (e.g. correction to safety net payments)        |                           |                           |                           |   |                           |                           |                           |                           |                   |
| <b>TOTAL START UP FUNDING RECEIPT:</b>                                 | <b>115,104,295</b>        | <b>105,570,169</b>        | <b>105,231,437</b>        |   |                           | <b>90,165,660</b>         | <b>89,813,603</b>         | <b>78,844,632</b>         | <b>79,512,040</b> |
| Return of amounts topsliced from RSG/BRRRA Allocation                  |                           |                           |                           |   |                           |                           |                           |                           |                   |
| Share of £2bn unused New Homes Bonus topslice                          | 378,230                   | 667,408                   | 154,558                   |   |                           | 667,408                   | 394,940                   | 667,408                   | 0                 |
| Share of returned damping (unused safety net held back)                | 0                         |                           |                           |   |                           |                           |                           |                           |                   |
| <b>TOTAL FUNDING FROM CENTRAL/LOCAL SHARE</b>                          | <b>115,482,525</b>        | <b>106,237,577</b>        | <b>105,385,995</b>        |   | <b>90,833,068</b>         | <b>90,208,543</b>         | <b>79,512,040</b>         | <b>79,512,040</b>         |                   |
| <i>Movement on previous year's funding</i>                             |                           | 1,111,237                 |                           |   |                           |                           |                           |                           |                   |
| Taxbase  | 99,280                    | 100,475                   | 100,475                   |   | 100,676                   |                           | 100,877                   |                           |                   |
| Reduction in Taxbase due to Council Tax Support Grant                  | 12,005                    |                           |                           |   |                           |                           | 12,005                    |                           |                   |
| <b>Council Tax Income</b>  | <b>115,632,994</b>        | <b>117,025,463</b>        | <b>117,025,463</b>        |   | <b>117,259,514</b>        | <b>117,259,514</b>        | <b>117,494,033</b>        | <b>117,494,033</b>        |                   |
| Collection Fund Surplus- Council Tax                                   | 416,666                   | 0                         | 2,018,834                 |   |                           |                           |                           |                           |                   |
| Business Rates Collection fund   |                           |                           | -985,341                  |   |                           |                           |                           |                           |                   |
| <b>TOTAL NET RESOURCES - 2013-14 onwards</b>                           | <b>231,532,185</b>        | <b>223,263,040</b>        | <b>223,444,951</b>        |   | <b>208,092,582</b>        | <b>207,468,057</b>        | <b>197,006,073</b>        | <b>197,006,073</b>        |                   |
| <b>GOVERNMENT GRANTS</b>   | <b>255,803,946</b>        | <b>255,394,361</b>        | <b>255,976,900</b>        |   | <b>255,394,361</b>        | <b>258,700,970</b>        | <b>255,394,361</b>        | <b>258,700,970</b>        |                   |
| <b>OTHER GRANTS &amp; CONTRIBUTIONS</b>                                | <b>25,950,880</b>         | <b>25,950,880</b>         | <b>28,425,620</b>         |   | <b>25,950,880</b>         | <b>28,425,620</b>         | <b>25,950,880</b>         | <b>28,425,620</b>         |                   |
| <b>FEES &amp; CHARGES</b>  | <b>63,039,210</b>         | <b>63,239,210</b>         | <b>57,137,050</b>         |   | <b>63,239,210</b>         | <b>57,137,050</b>         | <b>63,239,210</b>         | <b>57,137,050</b>         |                   |
| <b>INTERNAL MARKET &amp; INTERNAL RECHARGES</b>                        | <b>48,362,850</b>         | <b>48,362,850</b>         | <b>7,154,140</b>          |   | <b>48,362,850</b>         | <b>0</b>                  | <b>48,362,850</b>         | <b>7,154,140</b>          |                   |
| Internal Recharges only  |                           |                           | 7,154,140                 |   |                           | 7,154,140                 |                           | 7,154,140                 |                   |
| Total Income outside of Net  | 393,156,886               | 392,947,301               | 348,693,710               |   |                           |                           |                           |                           |                   |
| <b>TOTAL GROSS RESOURCES - 2013-14 onwards, after income Savings</b>   | <b>624,689,071</b>        | <b>616,210,341</b>        | <b>572,138,661</b>        |   | <b>601,039,883</b>        | <b>558,885,837</b>        | <b>589,953,374</b>        | <b>548,423,853</b>        |                   |



## Annex 2 – Details of Growth Included in the Expenditure Projections 2014-17

### The Current Year 2013/14 Budget

The figure included for 2013/14 Budget issues is made up of the following

- savings achieved on a one off basis in 2013/14, £4.686m
- pressures identified in 2013/14 where previously agreed savings have not been achievable, £4.019m.
- grant changes £1.383mm also reflected in resource projections

There were a number of further savings built in to 2013/14 budget which have been identified in 2013/14 monitoring as not deliverable. In addition a number of further budget pressures have been identified. The requirement to achieve £80m savings over the period 2014/15 to 2016/17 has resulted in all budgets being stripped to the minimum required. Pressures and unachievable savings have been managed to date by one off savings in existing budgets e.g. vacant posts. There is now no capacity to cover unavoidable budget variances from within cash limited budgets. It is therefore essential that where there is a known budget pressure either budget growth is allocated or this pressure is taken into account when savings are proposed. Unachievable savings and budget pressures identified are noted in the following paragraphs.

Carbon management savings were built in 2012/13 and 2013/14 budget. In total there is a saving of £0.818m built in 2013/14 budget (£0.496m 12/13 saving and an additional £0.322m 2013/14 saving). This saving has not been delivered due to issues around ownership of buildings and suitable contractors. Growth of £0.846m was also built in to 2013/14 budget for the carbon tax liability. The carbon tax liability has since been recalculated and a liability of £0.4m is more in line with current requirements. In total therefore there is a net shortfall on the Carbon budget of £0.372m (£0.818m less £0.446m). Work is continuing to identify savings in this area and will be considered going forwards.

The recharges made through the internal market are currently being reviewed. As part of this, charges to trading or ring-fenced services (e.g. Pension Fund, Housing Revenue Account) are being considered for appropriateness. For example,

the review of the recharges made to the Housing Revenue Account (HRA) and the arms length management organisation, ST&RH, has highlighted that the general fund income received from recharges is not sustainable. A number of other small adjustments have been identified within the General Fund that need to be reflected more accurately and in total £0.525m is required to ensure a number of budgets are revised to more sustainable levels.

Further pressures or unachievable savings have been identified as part of 2013/14 monitoring as a result of improved monitoring processes, systems and future forecasting of their implications. The impact on 2014/15 and beyond has been projected at £1.085m. These have been identified in 2013/14 monitoring reports but are being contained in the current year's budget by savings elsewhere e.g. vacancy management. In 2014/15, it is expected that with the level of budget reductions to be implemented there will be no capacity to offset these pressures. They include previously identified, but subsequently unachievable income targets and accommodation rationalisation savings.

Period 6 monitoring highlighted a shortfall in car parking pressure of c£0.300m. This pressure has been taken into account within Commissioning savings proposals in 2014/15 so that no additional growth is required.

A number of Council properties currently generating a revenue stream to the Council are being sold as part of the Council's rationalisation of assets and to generate savings elsewhere within the budget. In addition, the capital receipt to be generated will far exceed any loss of revenue income. For the Economic Regeneration service, recent sales have meant a loss in revenue of £0.037m. This loss is required as growth to balance the Economic Regeneration budget.

As budget monitoring continues in 2013/14 and budgets are evaluated as part of Business Planning and service redesign, any further issues will be reported in future updates to the Business Plan and Financial Strategy. It is important that adequate budgets are set to deliver the agreed service provision and where inadequate budgets have been set either service requirements or budget levels are adjusted accordingly.

In summary, an adjustment of £2.019m is required to deal with existing budget pressures.

## **Adjustments to Budgets to offset Growth**

The Council has received New Homes Bonus (NHB) Funding since 2011/12 as an unringfenced grant. This represents new funding to the authority, but in the main has been financed from a topslice to the Council's Revenue Support Grant. In 2014/15 this grant will be £5.759m in total and an increase of £0.8m has been estimated for 2015/16 and a further £0.8m for 2016/17. From 2017/18, the amount received will have to be offset by the loss of the year 1 funding reaching the end of the 6 year payment period.

The savings proposals include the use of £2m of NHB in 2014/15 and a further £0.5m in each of 2015/16 and 2016/17. There is therefore a base budget contribution from New Homes Bonus funding of £3m by 2016/17.

An allowance has been made in current and future years to spend NHB on a number of developments and initiatives to help generate further NHB into the future. After allowing for this, and the contribution identified in the paragraph above, a small balancing figure has been used to offset other budget pressures.

A small adjustment of £0.076m has been made to the debt charges budget. This is further to adjustments already included as part of the savings strategy.

## **Inflationary Increases**

The increase required for the 1% April pay award has been estimated by using current staff costs and making some assumptions about redundancies. As the position becomes clearer any potential reduction in the amount required will be used to offset the funding gap.

As stated for pay inflation, any change in the amount required for increments will also be used to offset the funding gap.

The total prices inflation is based on individual contract requirements and is not currently anticipated that this will vary significantly from the estimate provided.

In March 2013, the triennial actuarial valuation of the Pension fund projected that the funding level had dropped from 81% to 76% funded and recommended a change in annual contribution to the fund from Shropshire Council as one of the member authorities.

The growth built in to the current financial strategy of £5.384m allows for an increase in the fixed sum element of the Council's contribution to pay for existing liabilities and also an increase in the percentage contribution for current members to cover future projected liabilities.

Further work has been undertaken over the summer to consider the valuation and also take into account changes in gilt yields over the period which have moved substantially and reflect an improved funding level compared to the point-in-time review as at 31 March 2013. Consideration of the gap between assets and liabilities since the valuation point suggest that the additional deficit identified at that time may not be representative of a position that should be used for planning purposes for the Council. So, while the updated position suggests that it is not necessary to include growth to the levels identified originally, at this point in time, it is essential that a decision is not taken too quickly. To this end, it has been assumed that growth for the Pension Fund Deficit over the three year period of the Medium Term Financial Plan should be reduced from £6.508m to £3.5m, and for this not to be allocated until 2016/17.

## **Debt**

As detailed in the Council's Business Plan and Financial Strategy on 13 November 2013, the growth of £1m in debt charges is included as a revenue saving as any new capital projects are now to be funded by capital receipts in 2014/15 rather than additional borrowing.

## **Adults – Existing Year and Forecast Future year Budget pressures**

In the Revenue Outturn position for 2012/13 Long Term Support for Adults delivered an overspend of £5.8m. This overspend was net of an allocation of £1.3m grant available in 2012/13 only. In 2013/14, a pressure of £8.8m was identified early in the financial year and reported as part of period 4 monitoring. Management action undertaken to ensure the Council's total budget is not overspent included a decision by Council on 26 September 2013 to agree virements from other service areas to cover this overspend in 2013/14. It was recognised that this pressure, dealt with on a one off basis in 2013/14, would likely continue into 2014/15 and should be budgeted for appropriately. The Council Business Plan and Financial Strategy considered by Cabinet on 13 November 2013 included £9m growth for this identified pressure. This figure has been revised and increased to £9.3m as the projected ongoing budget pressure.

In addition to the 2013/14 pressure, demographic trends have been reviewed and highlight that in 2014/15 and beyond, demand for services, and therefore increasing costs, are likely to continue.

For population projections the authority uses information developed by the Institute of Public Care (IPC) which shows the possible impact that demography and certain conditions may have on populations. There are two main systems: POPPI (Projecting Older People Population Information) used for information on populations 65 and over and PANSI (Projecting Adult Needs and Service Information) which is used for populations aged 18-64.

The information from POPPI has been used to project local demographic changes for the number of adults using services. Costs of services will vary depending on what and where care is provided (home based or residential) and also the level of contribution received from the client. To project future costs the current split of types of care provided, the costs and the contributions have been used and costs and contributions have been updated as required for estimated inflation. A summary of the growth required is contained in Table 1 below.

**Table 1: Growth Assumptions in Adult Services 2014/15-2016/17**

|                      | 2014/15<br>£ | 2015/16<br>£ | 2016/17<br>£ |
|----------------------|--------------|--------------|--------------|
| Community Based Care | 449,254      | 388,555      | tbc*         |
| Care Home Placements | 770,132      | 895,117      | tbc*         |
| ALD Transition Cases | 647,123      | 474,819      | 484,316      |
| Total                | 1,866,509    | 1,758,491    | tbc*         |
| Provision for growth | 1,866,509    | 1,758,491    | 1,500,000    |

\*See below

It is recognised that the current pattern of service delivery will change as services are redesigned. This will mean that the growth in costs because of demographic changes is offset by a reduction as the way we provide services changes. It will be difficult to monitor each of these things separately. The current Council Business Plan and Financial Strategy requires that a net reduction in Adults services spend of £10m is required over the next 3 years.

The Care Bill currently before Parliament proposes changes to the way Social Care is charged for based on the findings of the Dilnott commission. Further detail on the impact of the Dilnott report for Shropshire Council was provided for Cabinet in January. At present it has not been possible to quantify what financial impact the proposed changes will have for Shropshire. Despite the government's initial indications that any changes proposed by the Bill will be fully funded by additional funding being passed to local government, given the current fiscal position it is unlikely that all costs will be fully funded or if additional funding is provided that there will be a reduction to compensate from other areas of local authority funding. A figure of £1.5m has been included as a provision for the potential increase in 2016/17. As more detail of the proposals becomes available, financial implications will be updated.

### **Children's - Existing Year and Forecast Future year Budget pressures**

In 2012/13 Children's services managed a pressure in the area of Looked After Children (LAC) of £0.8m and early in 2013/14, monitoring reports identified that this pressure had increased and to meet the element that could not be contained by the service, a virement of £1m was approved by Council on 26 September 2013. Further work has been undertaken to establish the value of the underlying pressure that needs to be reflected in the on-going budget from 2014/15 onwards. This has been identified as £2.8m and an allowance to this value has been identified.

In addition work has been undertaken to establish the value of demographic pressure, resulting from additional LAC cases.

**Table 2: Growth Assumptions in Children's Services 2014/15-2016/17**

|                                  | 2014/15<br>£ | 2015/16<br>£ | 2016/17<br>£ |
|----------------------------------|--------------|--------------|--------------|
| External Placements Growth       | 274,000      | 685,000      | 685,000      |
| Internal Foster Provision Growth | 273,750      | 273,750      | 273,750      |
| External Foster Care Growth      | 166,858      | 166,858      | 166,858      |
| Other Growth inc 16+             | 57,223       | 57,223       | 57,223       |
| Provision for growth             | 771,831      | 1,182,831    | 1,182,831    |

As with Adult Services, it is recognised that current service delivery patterns will change as services are redesigned. This will mean that the growth in costs because of demographic and other changes will be offset by reductions through new ways in which we provide services. It will be difficult to monitor these elements separately, but for current modelling purposes the Financial Strategy has allowed for growth as identified above, offset by savings proposals through redesigned services as provided earlier in the report.

### **Investment Fund**

A one off budget of £2m has been allocated in 2014/15 to be used to fund expenditure required to develop and deliver on going savings. Funds will be allocated on the basis of a robust business case identifying an agreed rate of return on the required investment, which will be modelled to replenish this fund where appropriate.

### **Repayment to Provisions for Redundancy Costs**

The approach taken by the authority to undertake a voluntary redundancy programme was formally closed on 31 January 2014. It has been estimated that the total cost of this exercise, taking into account requests in future years that have not yet been authorised is approximately £18.8m.

To fund these and future VR costs, the balance on the Waste Management Smoothing Reserve has been transferred to the redundancy reserve. An amount has been left in the Waste Smoothing Reserve to cover the required contributions over the next 3 financial years under the current arrangements, but then base budget growth of £2m has been calculated and built in from 2016/17 to ensure sufficient funding is available over the remaining life of the contract in line with the original modelled costs. The calculation of growth of £2m in base in 2016/17 also allows for the removal of the requirement for the reserve to accumulate interest.

## **Contributions to Savings Targets**

The changes to growth projections as detailed above has resulted in an overall reduction in the growth requirement from that originally estimated over the Medium Term Financial Plan period of £2.226m.

The changes to resource projections mean that by 2016/17 the projections are in line with our planning assumptions but that in both 2014/15 and 2015/16 there are one off additional resources from those originally modelled to help manage the delivery of savings proposals as profiled over the medium term.

In summary, the work undertaken to review growth and resources has identified a total of up to £6.262m being available to offset the funding gap in 2014/15. This is an improvement on the amount identified in the financial strategy considered on 15 January 2014 of £0.182m.



## Annex 3 – Financial Summary 2014/15 to 2016/17- Expenditure Projections

### Expenditure

#### **Original Gross Budget Requirement**

#### **2013/14 Budget Issues with ongoing implications**

- One off savings in 2013/14
- Monitoring issues around Unachievable Savings
- Services Pressures - Adult Services
- Service Pressures - Children's Services
- Carbon Management Review
- Review of Recharges outside General Fund
- Asset Sales - Removal of income stream
- Further Review of budget issues impacting on 2014/15 and beyond

#### 2014/15 - New Budget Growth

#### **Inflation**

- Prices
- Pay 1% award
- Pay Increment
- Pension Costs
- Auto Enrolment (impacts 2017/18)

#### **Committed Growth**

- Debt Charges (Reduced as part of Savings)

#### **New Growth**

- Demography: Adults
- Demography: Childrens services
- Contribution to Balances (remove base budget for 2014/15 onwards)
- Elections (2013/14 only)

#### New Service Pressures

New Investment funding- One year only

Repaying for borrowing for Redundancies

|   | 2014/15            | 2015/16            | 2016/17            |
|---|--------------------|--------------------|--------------------|
|   | £                  | £                  | £                  |
| <b>Original Gross Budget Requirement</b>                            | <b>624,689,073</b> | <b>613,669,446</b> | <b>620,552,991</b> |
| <b>2013/14 Budget Issues with ongoing implications</b>              |                    |                    |                    |
| - One off savings in 2013/14  | 4,686,190          |                    |                    |
| - Monitoring issues around Unachievable Savings                     | 4,018,880          |                    |                    |
| - Services Pressures - Adult Services                               | 9,300,000          |                    |                    |
| - Service Pressures - Children's Services                           | 2,800,000          |                    |                    |
| - Carbon Management Review  | 372,000            |                    |                    |
| - Review of Recharges outside General Fund                          | 525,000            |                    |                    |
| - Asset Sales - Removal of income stream                            | 37,000             |                    |                    |
| - Further Review of budget issues impacting on 2014/15 and beyond   | 1,085,030          | 50,000             | 50,000             |
| <b>2014/15 - New Budget Growth</b>                                  |                    |                    |                    |
| <b>Inflation</b>  |                    |                    |                    |
| - Prices  | 2,758,931          | 2,852,381          | 3,006,053          |
| - Pay 1% award  | 955,196            | 885,196            | 839,083            |
| - Pay Increment   | 896,688            | 496,988            | 281,097            |
| - Pension Costs   | 0                  | 0                  | 3,500,000          |
| - Auto Enrolment (impacts 2017/18)                                  | 0                  | 0                  | 0                  |
| <b>Committed Growth</b>   |                    |                    |                    |
| - Debt Charges (Reduced as part of Savings)                         | 924,000            | 1,000,000          | 1,000,000          |
| <b>New Growth</b>   |                    |                    |                    |
| - Demography: Adults  | 1,867,000          | 1,758,000          | 1,500,000          |
| - Demography: Childrens services                                    | 772,000            | 1,183,000          | 1,183,000          |
| - Contribution to Balances (remove base budget for 2014/15 onwards) | (5,000,000)        |                    |                    |
| - Elections (2013/14 only)  | (700,000)          |                    |                    |
| <b>New Service Pressures</b>  |                    |                    |                    |
| New Investment funding- One year only                               | 2,000,000          | (2,000,000)        |                    |
| Repaying for borrowing for Redundancies                             |                    |                    | 2,000,000          |

|   | 2014/15            | 2015/16            | 2016/17            |
|---|--------------------|--------------------|--------------------|
|   | £                  | £                  | £                  |
| <b>Changes to Expenditure Reflected in Resources</b>                          |                    |                    |                    |
| Specific Grant Changes from Previous Year Including New Responsibilities      | 1,485,405          | 2,724,070          | TBC                |
| Income Changes  | 20,810             |                    |                    |
| Benefits (assume at same level as reduction in Resources)                     | (197,936)          |                    |                    |
| <b>Budget Adjustments for surpluses and deficits</b>                          |                    |                    |                    |
| - remove "surplus" available in 2013/14 only                                  | (736,046)          |                    |                    |
| - build growth to cover net loss in grants (make from surplus in 2013/14)     | 810,834            |                    |                    |
| <b>Offsetting Budget Adjustments</b>  |                    |                    |                    |
| Use of NHB Smoothing  | (1,106,000)        | (1,609,000)        | (1,909,000)        |
| Contributions to Savings for changes in Projections                           |                    |                    |                    |
| - Net Growth Change   | 3,807,970          | 2,167,600          | (3,749,700)        |
| - Net Resources Change-14/15 one year only                                    | 2,454,351          | (2,454,351)        |                    |
| - Net Resources Change-15/16 one year only                                    |                    | (170,339)          | 170,339            |
| <b>Gross Budget Requirement (Including Internal Recharges) Before Savings</b> | <b>658,526,376</b> | <b>620,552,991</b> | <b>628,423,863</b> |
| Review of Internal Market and Income budget after Savings                     | (16,490,980)       |                    |                    |
| Removal of Grossing up associated with Internal Market costs                  | (28,365,950)       |                    |                    |
| <b>Gross Budget Requirement (Excluding Internal Market )</b>                  | <b>613,669,446</b> | <b>620,552,991</b> | <b>628,423,863</b> |

## Annex 4 – Capital Programme

| Scheme Description  | Code  | Project Manager | 2014/15 Budget<br>£ | 2015/16 Budget<br>£ | 2016/17 Budget<br>£ | Details  |
|---|-------|-----------------|---------------------|---------------------|---------------------|--|
| <b>Commissioning</b>                                      |       |                 |                     |                     |                     |  |
| <b>Leisure</b>  |       |                 |                     |                     |                     |  |
| Market Drayton Swimming Centre - Changing Rooms           | K5T51 | P Davis         | 10,000              | -                   | -                   | Retention due on scheme 14/15; financed from specific Grant.   |
| <b>Total</b>  |       |                 | <b>10,000</b>       | <b>-</b>            | <b>-</b>            |  |
| <b>Community Action</b>                                   |       |                 |                     |                     |                     |  |
| Whitchurch Civic Centre                                   | K5T48 | N Willcox       | 132,000             | -                   | -                   | Final works and retention due on scheme 14/15; financed from corporate resources and revenue contribution.   |
| <b>Total</b>  |       |                 | <b>132,000</b>      | <b>-</b>            | <b>-</b>            |  |
| <b>Waste Management</b>                                   |       |                 |                     |                     |                     |  |
| In Vessel Composting Facility                             | K6WMO | L Wolfe         | 325,000             | -                   | -                   | For land purchases as part of Veolia Waste Management contract, planning approval has been rejected on initial site identified and Veolia are now looking to identify new site. If this is identified the transaction could go through in 3-4 months, on this basis budget still required in 2014/15. Financed from Corporate Resources. |
| Road Vanguard Way   | K6WMB | L Wolfe         | 5,002               | -                   | -                   | Final works due on scheme 14/15; financed from revenue contribution.   |
| <b>Total</b>  |       |                 | <b>330,002</b>      | <b>-</b>            | <b>-</b>            |  |
| <b>Bereavement Services</b>                               |       |                 |                     |                     |                     |  |
| New Burial Site - Shrewsbury                              | K6BS1 | L Wolfe         | 128,000             | -                   | -                   | Retention due on scheme 14/15; financed from Corporate Resources.  |
| <b>Total</b>  |       |                 | <b>128,000</b>      | <b>-</b>            | <b>-</b>            |  |
| <b>Highways &amp; Transport - LTP</b>                     |       |                 |                     |                     |                     |  |
| <b>Structural Maintenance of Bridges</b>                  |       |                 |                     |                     |                     |  |
| Bridgeguard Rolling Programme                             | K6BG4 | J Williams      | 1,630,706           | -                   | -                   | Financed from DfT grant and commuted sum, see appendix 3 for programme details.  |
| <b>Total</b>  |       |                 | <b>1,630,706</b>    | <b>-</b>            | <b>-</b>            |  |
| <b>Structural Maintenance of Roads</b>                    |       |                 |                     |                     |                     |  |
| Structural Maintenance of Principal Roads                 | K6AF9 | T Sneddon       | 350,222             | -                   | -                   | Financed from DfT grant, see appendix 3 for programme details.   |
| Structural Maintenance of Secondary Roads                 | K6AF0 | T Sneddon       | 1,349,378           | -                   | -                   | Financed from DfT grant, see appendix 3 for programme details.   |
| Structural Maintenance of Road to be allocated            |       | T Sneddon       | 9,759,300           | -                   | -                   | Financed from DfT grant, see appendix 3 for programme details.   |
| <b>Total</b>  |       |                 | <b>11,458,900</b>   | <b>-</b>            | <b>-</b>            |  |
| <b>Street Lighting</b>                                    |       |                 |                     |                     |                     |  |
| Programme of structural replacement of lighting columns   | K6SL1 | R Buzzacott     | 300,000             | -                   | -                   | Financed from DfT grant & revenue contribution, see appendix 3 for programme details.  |
| Conversion of SOX Streetlights to Electronic Control Gear | K6SL2 | R Buzzacott     | 100,000             | -                   | -                   | Financed from DfT grant, see appendix 3 for programme details.   |
| Part Night Lighting                                       | K6SL3 | R Buzzacott     | 100,000             | -                   | -                   | Financed from DfT grant, see appendix 3 for programme details.   |
| <b>Total</b>  |       |                 | <b>500,000</b>      | <b>-</b>            | <b>-</b>            |  |
| <b>Local Transport Plan - Integrated Transport Plan</b>   |       |                 |                     |                     |                     |  |
| <b>Network Management and Efficiency</b>                  |       |                 |                     |                     |                     |  |
| Network Management and Efficiency General                 | K6NE1 | R Buzzacott     | 963,977             | -                   | -                   | Financed from DfT grant, see appendix 3 for programme details.   |
| <b>Total</b>  |       |                 | <b>963,977</b>      | <b>-</b>            | <b>-</b>            |  |
| <b>Public Transport</b>                                   |       |                 |                     |                     |                     |  |
| Public Transport - General                                | K6PT4 | R Buzzacott     | 150,000             | -                   | -                   | Financed from DfT grant, see appendix 3 for programme details.   |
| <b>Total</b>  |       |                 | <b>150,000</b>      | <b>-</b>            | <b>-</b>            |  |
| <b>Walking and Cycling</b>                                |       |                 |                     |                     |                     |  |
| Walking and Cycling General                               | K6CY2 | R Buzzacott     | 1,007,680           | -                   | -                   | Financed from DfT grant, see appendix 3 for programme details.   |
| <b>Total</b>  |       |                 | <b>1,007,680</b>    | <b>-</b>            | <b>-</b>            |  |
| <b>Safety and Speed Management</b>                        |       |                 |                     |                     |                     |  |
| Speed Management - General                                | K6SM1 | R Buzzacott     | 977,343             | -                   | -                   | Financed from DfT grant, see appendix 3 for programme details.   |
| <b>Total</b>  |       |                 | <b>977,343</b>      | <b>-</b>            | <b>-</b>            |  |
| <b>Total Integrated Transport Plan</b>                    |       |                 | <b>3,099,000</b>    | <b>-</b>            | <b>-</b>            |  |
| <b>Total Highways &amp; Transport - LTP</b>               |       |                 | <b>16,688,606</b>   | <b>-</b>            | <b>-</b>            |  |
| <b>Strategic Highways - Non LTP Project Management</b>    |       |                 |                     |                     |                     |  |
| Clebury Mortimer Public Conveniences                      | K6EM3 | S Brown         | 3,684               | -                   | -                   | Retention due on scheme 14/15; financed from Corporate Resources.  |
| Whitchurch Town Centre Improvements                       | K6PMD | K Jones         | 4,764               | -                   | -                   | Retention due on scheme 14/15; financed from S106 contribution.  |
| <b>Total</b>  |       |                 | <b>8,448</b>        | <b>-</b>            | <b>-</b>            |  |
| <b>Flood Defences &amp; Water Management</b>              |       |                 |                     |                     |                     |  |
| Much Wenlock - Flood & Water Management                   | K6FW1 | D Edwards       | 600,000             | -                   | -                   | Specific Environment Agency funding for the scheme.  |
| Shifnal - Flood & Water Management                        | K6FW4 | D Edwards       | 140,000             | -                   | -                   | Specific Environment Agency funding for the scheme.  |
| <b>Total</b>  |       |                 | <b>740,000</b>      | <b>-</b>            | <b>-</b>            |  |
| <b>Environmental Maintenance - Depots</b>                 |       |                 |                     |                     |                     |  |
| Depot Redevelopment - Unallocated                         | K6H03 | S Brown         | 611,865             | -                   | -                   | Planned depot improvements, financed from Corporate Resources and prudential borrowing.  |
| Depot Redevelopment - Whittington, Oswestry               | K6H05 | S Brown         | 2,000               | -                   | -                   | Planned depot improvements, financed from Corporate Resources.   |
| Depot Redevelopment - Hodnet                              | K6H06 | S Brown         | 2,000               | -                   | -                   | Planned depot improvements, financed from Corporate Resources.   |
| Depot Redevelopment - Craven Arms                         | K6H08 | S Brown         | 707,820             | -                   | -                   | Planned depot improvements, financed from Corporate Resources.   |
| Depot Redevelopment - Stourbridge Road, Bridgnorth        | K6H09 | S Brown         | 97,892              | -                   | -                   | Planned depot improvements, financed from Corporate Resources.   |
| <b>Total Environmental Maintenance - Depots</b>           |       |                 | <b>1,421,577</b>    | <b>-</b>            | <b>-</b>            |  |
| <b>Total Commissioning</b>                                |       |                 | <b>19,458,633</b>   | <b>-</b>            | <b>-</b>            |  |

| Scheme Description                                     | Code  | Project Manager | 2014/15 Budget<br>£ | 2015/16 Budget<br>£ | 2016/17 Budget<br>£ | Details  |
|--|-------|-----------------|---------------------|---------------------|---------------------|--|
| <b>Commissioning - Heads of Service</b>                |       |                 |                     |                     |                     |  |
| <b>Public Protection</b>                               |       |                 |                     |                     |                     |  |
| <b>Housing Health &amp; Wellbeing</b>                  |       |                 |                     |                     |                     |  |
| Disabled Facilities Grants                             |       |                 |                     |                     |                     | Based on projected grant for 2014/15, allocation will not be confirmed until early 2014, any change in grant will be adjusted in the budget as reported through the monthly capital monitoring report.<br>- Grants allocated for bring empty properties back into use, financed from New Homes Bonus revenue monies..<br>- Grants allocated for bring empty properties back into use, financed from New Homes Bonus revenue monies.. |
| Market Drayton Empty Property Incentive Grant          | K5P03 | B Carey         | 1,381,000           | -                   | -                   |  |
| Oswestry Area Empty Property Incentive Grant           | K5P14 | B Carey         | 80,000              | -                   | -                   |  |
|  | K5P15 | B Carey         | 55,000              | -                   | -                   |  |
| <b>Total</b>   |       |                 | <b>1,516,000</b>    | -                   | -                   |  |
| <b>Total Public Protection</b>                         |       |                 | <b>1,516,000</b>    | -                   | -                   |  |
| <b>Business Growth &amp; Prosperity</b>                |       |                 |                     |                     |                     |  |
| <b>Visitor Economy</b>                                 |       |                 |                     |                     |                     |  |
| Music Hall Refurbishment                               | K5HA9 | A Evans         | 140,000             | -                   | -                   | - Retention due on scheme; financed from Corporate Resources.  |
| Digitalisation of Records                              | K5HAH | M McKenzie      | 5,973               | -                   | -                   | - Final equipment purchases on scheme, financed from Corporate Resources.  |
| Records, Archives & Museums Store - Hortonwood         | K5HAP | M McKenzie      | 50,000              | -                   | -                   | - Final equipment purchases on scheme, financed from Corporate Resources.  |
| <b>Total</b>   |       |                 | <b>195,973</b>      | -                   | -                   |  |
| <b>Enterprise &amp; Business</b>                       |       |                 |                     |                     |                     |  |
| Food Enterprise Centre - Construction (Battlefield)    | KER38 | M Pembleton     | 35,000              | -                   | -                   | - Retention due on scheme; financed from Corporate Resources.  |
| Ludlow Eco Park Plot 3                                 | KED20 | M Pembleton     | 30,000              | -                   | -                   | - Final payments on scheme; financed from Corporate Resources.   |
| Shropshire Small Business Loan Scheme - Phase 1        | KED32 | M Pembleton     | 130,000             | 100,000             | -                   | - Funding contracted to be provided, profiled as per contracts; financed from Corporate Resources.   |
| Shropshire Small Business Loan Scheme - Phase 2        | KED36 | M Pembleton     | 250,000             | -                   | -                   | - Funding contracted to be provided, profiled as per contracts; financed from Corporate Resources.   |
| Shrewsbury Business Park Phase 2 Extension             | KED33 | M Pembleton     | 400,000             | -                   | -                   | - Final works and retention due on scheme 14/15; financed from corporate resources and revenue contribution.   |
| <b>Total</b>   |       |                 | <b>845,000</b>      | <b>100,000</b>      | -                   |  |
| <b>Outdoor Recreation</b>                              |       |                 |                     |                     |                     |  |
| Oswestry Play & Recreational Improvements              | K5BC7 | M Blount        | 50,000              | -                   | -                   | - Capital receipt funded project.  |
| Trefonen Playing Pitch Phase 2 - Drainage Improvements | K5T52 | M Blount        | 31,456              | -                   | -                   | - External grant/contributions (S106) funded project.  |
| Snailbeach Lead Mine Higher Level Stewardship          | K5T53 | C Dean          | 148,297             | -                   | -                   | - External grant funded project.   |
| <b>Total</b>   |       |                 | <b>229,753</b>      | -                   | -                   |  |
| <b>Infrastructure &amp; Growth - Growth Point</b>      |       |                 |                     |                     |                     |  |
| Shrewsbury Growth Point                                | K6GP1 | J Harrison      | 553,000             | -                   | -                   | - Funding remaining, currently held for possible requirement for Flaxmill Implementation stage project, financed from Corporate Resources.   |
| Flaxmill Project - Bus Depot & Sports & Social Club    | K6GP2 | J Harrison      | 580,000             | -                   | -                   | - Funding remaining, currently held for possible requirement for Flaxmill Implementation stage project, financed from Corporate Resources.   |
| Shrewsbury Vision                                      | K6GP4 | J Harrison      | 150,000             | -                   | -                   | - Funding remaining, financed from Corporate Resources.  |
| Flaxmill Project - Implementation                      | K6FM1 | J Harrison      | 1,000,000           | -                   | -                   | - Funding allocated for Flaxmill Implementation stage project, financed from Corporate Resources. Further external funding has not been built into the programme as funding contracts have not yet been signed and scheme costs still being worked through.  |
| Shrewsbury Vision - New Riverside Development          | K6HR1 | J Harrison      | 500,000             | -                   | 3,500,000           | - Funding provided from Corporate Resources for refurbishment of Raven Meadows Multi Storey Car park as part of Riverside Shopping Centre Development. These scheme has been reprofiled based on the latest projections on scheme delivery.  |
| <b>Total</b>   |       |                 | <b>2,783,000</b>    | -                   | <b>3,500,000</b>    |  |
| <b>Planning Policy - Affordable Housing</b>            |       |                 |                     |                     |                     |  |
| Affordable Housing - Idsall Crescent                   | K6AHF | A Mortimer      | 170,350             | -                   | -                   | - New build affordable Housing scheme, financed from S106 monies.  |
| Affordable Housing - Rolling Fund                      | K6AHG | A Mortimer      | 33,500              | 300,000             | -                   | - New Homes Bonus funding to be allocated as schemes development; further funding also available from S106 monies held.  |
| Affordable Housing - Plas Fynnon, Oswestry             | K6AHR | A Mortimer      | 300,000             | -                   | -                   | - Grant for affordable housing scheme, S106 and New Homes Bonus funded scheme.   |
| Affordable Housing - Saxon Fields, Wem                 | K6AHS | A Mortimer      | 32,770              | -                   | -                   | - Final payment on S106 funded scheme.   |
| Shrewsbury Self Build Scheme                           | K6AHT | A Mortimer      | 260,000             | -                   | -                   | - To develop infrastructure to enable self build plots to be made available, financed from New Homes Bonus.  |
| Drapers Almshouses                                     | K6AHU | A Mortimer      | 240,000             | -                   | -                   | - Grant for affordable housing scheme, S106 funded scheme.   |
| Community Led Affordable Housing Grant Scheme          | K6AHV | A Mortimer      | 114,000             | 11,400              | -                   | - Grant for affordable housing scheme, New Homes Bonus funded scheme.  |
| Affordable Housing Contributions Grant Scheme (S106)   | K6AHW | A Mortimer      | 37,500              | -                   | -                   | - Grant for affordable housing scheme, S106 funded scheme.   |
| <b>Total Strategic Planning and Public Information</b> |       |                 | <b>1,188,120</b>    | <b>311,400</b>      | -                   |  |
| <b>Broadband</b>                                       |       |                 |                     |                     |                     |  |
| Broadband Project - Milestone 0                        | KB000 | C Taylor        | 345,118             | 170,777             | -                   | Joint funded project from BDUK Grant and Corporate Resources; profiled based on contract entered into with BT.   |
| Broadband Project - Milestone 1                        | KB001 | C Taylor        | 4,260,712           | 3,900,885           | -                   |  |
| Broadband Project - Milestone 2                        | KB002 | C Taylor        | 2,572,350           | 2,065,472           | -                   |  |
| Broadband Project - Milestone 3                        | KB003 | C Taylor        | -                   | 1,604,000           | -                   |  |
|  |       |                 | <b>7,178,180</b>    | <b>7,741,134</b>    | -                   |  |
| <b>Total Business Growth and Prosperity</b>            |       |                 | <b>12,420,026</b>   | <b>8,152,534</b>    | <b>3,500,000</b>    |  |
| <b>Total Commissioning</b>                             |       |                 | <b>33,394,659</b>   | <b>8,152,534</b>    | <b>3,500,000</b>    |  |

| Scheme Description   | Code  | Project Manager | 2014/15 Budget<br>£ | 2015/16 Budget<br>£ | 2016/17 Budget<br>£ | Details  |
|--|-------|-----------------|---------------------|---------------------|---------------------|--|
| <b>Adult Services</b>  |       |                 |                     |                     |                     |  |
| <b>Social Care Operations</b>                                  |       |                 |                     |                     |                     |  |
| <b>Adult Social Care</b>                                       |       |                 |                     |                     |                     |  |
| Adults - DoH Grant   | K5B71 | R Houghton      | 450,000             | 314,663             | -                   | New DoH grant funding , to be provisionally allocated to development of 4 new Supported Living bungalows, which will attract additional Development Trust funding. |
| Telecare Call Monitoring                                       | K5B88 | R Houghton      | 200,000             | -                   | -                   | Funding brought forward from previous years; financed from Corporate Resources & B/F grant.  |
| IT/Mobile Flexible Working                                     | K5B89 | R Houghton      | 150,000             | -                   | -                   | Funding brought forward from previous years; financed from Corporate Resources & B/F grant.  |
| Kempsfield - Specialist Accommodation                          | K5B90 | R Houghton      | 100,000             | -                   | -                   | Funding brought forward from previous years; financed from Corporate Resources & B/F grant.  |
| Safe Place Hub - ALD's Louise House                            | K5B91 | R Houghton      | 50,000              | -                   | -                   | Funding brought forward from previous years; financed from Corporate Resources & B/F grant.  |
| Development Trust Bungalow - Raven Site, Market Drayton        | K5B94 | R Houghton      | 350,000             | -                   | -                   | Ongoing scheme, further match to be built in from Development Trust once confirmation received.  |
| Adult Social Care Community Capital Grant Scheme               | K5B01 | R Houghton      | 40,000              | -                   | -                   | Funding brought forward from previous years; financed from Corporate Resources & B/F grant.  |
| IT Hardware - Implementation of Care Bill                      | K5B02 | R Houghton      | 40,000              | -                   | -                   | Funding brought forward from previous years; financed from Corporate Resources & B/F grant.  |
| Extra Care Initiative  | K5B03 | R Houghton      | 39,791              | -                   | -                   | Funding brought forward from previous years; financed from Corporate Resources & B/F grant.  |
| <b>Total Assessment &amp; Eligibility</b>                      |       |                 | <b>1,419,791</b>    | <b>314,663</b>      | -                   |  |
| <b>Total Adult Services</b>                                    |       |                 | <b>1,419,791</b>    | <b>314,663</b>      | -                   |  |
| <b>Children's Services</b>                                     |       |                 |                     |                     |                     |  |
| <b>Children's Safeguarding</b>                                 |       |                 |                     |                     |                     |  |
| <b>Early Years</b>   |       |                 |                     |                     |                     |  |
| Early Years & Childcare  | K3L22 | S Wilkins       | 100,000             | -                   | -                   | Funding to be allocated to Early Years schemes, financed from Corporate Resources.   |
| Two Year Old Funding for Early Education                       | K3L41 | S Wilkins       | 82,454              | -                   | -                   | Funding re-profiled from previous years, committed to providing grants; financed from Corporate Resources.   |
| Mereside Primary - 2 Yr Olds                                   | K3L06 | S Wilkins       | 100,000             | -                   | -                   | Scheme slipped from 13/14, financed from Corporate Resources.  |
| Crowmoor Primary - Development of 2 year old places            | K3L08 | S Wilkins       | 32,000              | -                   | -                   | Scheme slipped from 13/14, financed from Corporate Resources.  |
| <b>Total</b>   |       |                 | <b>314,454</b>      | -                   | -                   |  |
| <b>Children's Residential Care</b>                             |       |                 |                     |                     |                     |  |
| Havenbrook - External Buildings Conversion                     | K3A47 | K Bradshaw      | 33,949              | -                   | -                   | Funding for works, financed from Corporate Resources.  |
| <b>Total</b>   |       |                 | <b>33,949</b>       | -                   | -                   |  |
| <b>Total Children's Safeguarding</b>                           |       |                 | <b>348,403</b>      | -                   | -                   |  |
| <b>Learning &amp; Skills</b>                                   |       |                 |                     |                     |                     |  |
| <b>Primary Schools</b>   |       |                 |                     |                     |                     |  |
| Primary School Basic Need                                      | K3AXJ | P Wilson        | 985,642             | 1,709,784           | 1,795,273           | New 14/15, 15/16, 16/17 Basic Need allocation and 13/14 funding B/F; to be allocated to new schemes to be identified.  |
| Primary School Refurbishment                                   | K3AXK | P Wilson        | 723,840             | -                   | -                   | Funding B/F from 13/14; to be allocated to new schemes to be identified.   |
| Ellesmere Primary Basic Need                                   | K3AX1 | P Wilson        | 350,000             | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources/\$106 monies.  |
| Whitchurch - Basic Need  | K3182 | P Wilson        | 290,000             | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |
| Highley - Reconfigure Office Area & Accessible Toilet          | K3A08 | P Wilson        | 20,000              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |
| Morville - Secure Lobby  | K3A17 | P Wilson        | 70,000              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |
| Buildwas Primary - Demountable Toilets Refurbishment           | K3A53 | P Wilson        | 60,000              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |
| Kinlet Primary - Heads Office/PPA/Lobby Works                  | K3A54 | P Wilson        | 50,000              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |
| Radbrook Primary - Secure Lobby                                | K3A57 | P Wilson        | 30,000              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |
| Hanwood Primary - Secure Lobby and Office Works                | K3A58 | P Wilson        | 70,000              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |
| Worthen Primary - Secure Lobby                                 | K3A59 | P Wilson        | 30,000              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |
| St Lawrence, Church Stretton - Secure Lobby & Office Extension | K3A60 | P Wilson        | 60,000              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |
| West Felton Primary - Lobby/Office/Staffroom Improvements      | K3A66 | P Wilson        | 79,900              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |
| Cheswardine - Create Internal Staffroom                        | K3A70 | P Wilson        | 40,000              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |
| <b>Total</b>   |       |                 | <b>2,859,382</b>    | <b>1,709,784</b>    | <b>1,795,273</b>    |  |
| <b>School Amalgamations</b>                                    |       |                 |                     |                     |                     |  |
| School Amalgamations - Contingency                             | K3061 | P Wilson        | 238,243             | -                   | -                   | Contingency in case of overspend on existing schemes, financed from Corporate Resources  |
| Shawbury Primary / St Mary's Amalgamation                      | K3207 | P Wilson        | 115,110             | -                   | -                   | Funding required to complete scheme, financed from Corporate Resources.  |
| St Martins - All Through School                                | K3208 | P Wilson        | 1,021,544           | -                   | -                   | Funding required to complete scheme, financed from Corporate Resources and DfE grant.  |
| <b>Total</b>   |       |                 | <b>1,374,897</b>    | -                   | -                   |  |
| <b>Secondary Schools</b>                                       |       |                 |                     |                     |                     |  |
| Secondary School Refurbishment                                 | K3BXK | P Wilson        | 187,840             | -                   | -                   | Funding B/F from 13/14; to be allocated to new schemes to be identified.   |
| Meole Brace New Floor Classroom S7                             | K3B08 | P Wilson        | 25,000              | -                   | -                   | New scheme for 14/15, financed from DfE grant.   |
| Ludlow School Refurb of Science Classrooms                     | K3B16 | P Wilson        | 210,000             | -                   | -                   | New scheme for 14/15, financed from DfE grant.   |
| Lacon Child Refurb of Science Classrooms                       | K3B17 | P Wilson        | 115,000             | -                   | -                   | New scheme for 14/15, financed from DfE grant.   |
| Oldbury Wells Improved Science Room/Arts                       | K3B18 | P Wilson        | 58,000              | -                   | -                   | New scheme for 14/15, financed from DfE grant.   |
| Thomas Adams Upgrade Changing Rooms                            | K3B19 | P Wilson        | 58,000              | -                   | -                   | New scheme for 14/15, financed from DfE grant.   |
| Meole Brace Sport Changing Room Refurb                         | K3B20 | P Wilson        | 70,000              | -                   | -                   | New scheme for 14/15, financed from DfE grant.   |
| <b>Total</b>   |       |                 | <b>723,840</b>      | -                   | -                   |  |
| <b>Universal Infant Free School Meals</b>                      |       |                 |                     |                     |                     |  |
| Universal Infant Free School Meals                             |       | P Wilson        | 587,365             | -                   | -                   | Funding B/F from 13/14; to be allocated to new schemes to be identified.   |
| <b>Total</b>   |       |                 | <b>587,365</b>      | -                   | -                   |  |

| Scheme Description                                      | Code  | Project Manager | 2014/15 Budget<br>£ | 2015/16 Budget<br>£ | 2016/17 Budget<br>£ | Details  |  |
|---|-------|-----------------|---------------------|---------------------|---------------------|--|--|
| <b>Asset Management Plan - Condition/Suitability</b>    |       |                 |                     |                     |                     |  |  |
| AMP Condition   | K3R24 | P Wilson        | 3,161,165           | -                   | -                   | Funding B/F from 13/14 and new projected funding; to be allocated to new schemes to be identified.   |  |
| Coleham Primary - Stonework Repairs                     | K3R46 | P Wilson        | 30,000              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |  |
| Cleobury Mortimer Primary - re-wire                     | K3RA7 | P Wilson        | 110,000             | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |  |
| Rushbury Primary Re Roof Pitch Roof                     | K3RD2 | P Wilson        | 70,850              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |  |
| Rushbury Primary - Chimney Demolition                   | K3RD3 | P Wilson        | 10,900              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |  |
| <b>Total</b>  |       |                 | <b>3,382,915</b>    | -                   | -                   |  |  |
| <b>Fire Safety Schemes</b>                              |       |                 |                     |                     |                     |  |  |
| Fire Safety - Unallocated                               | K3V01 | P Wilson        | 300,000             | -                   | -                   | Funding B/F from 13/14; to be allocated to new schemes to be identified.   |  |
| Fire Safety - Radbrook                                  | K3V45 | P Wilson        | 20,468              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |  |
| Fire Safety - Shifnal                                   | K3V46 | P Wilson        | 27,529              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |  |
| Fire Safety - Whitchurch Infants                        | K3V47 | P Wilson        | 24,861              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |  |
| Fire Safety - Highley                                   | K3V48 | P Wilson        | 22,699              | -                   | -                   | Scheme slipped from 13/14, financed Corporate Resources.   |  |
| <b>Total</b>  |       |                 | <b>395,557</b>      | -                   | -                   |  |  |
| <b>Special Education Needs</b>                          |       |                 |                     |                     |                     |  |  |
| Schools Access Initiative Contingency                   | K3C50 | P Wilson        | 250,000             | -                   | -                   | Funding B/F from 13/14; to be allocated to new schemes to be identified.   |  |
| Special Education Refurbishment                         | K3CX0 | P Wilson        | 850,000             | -                   | -                   | Funding B/F from 13/14; scheme developed for delivery in 2014/15.  |  |
| <b>Total</b>  |       |                 | <b>1,100,000</b>    | -                   | -                   |  |  |
| <b>Contingency</b>                                      |       |                 |                     |                     |                     |  |  |
| Salary Contingency                                      | K3050 | P Wilson        | 200,000             | -                   | -                   | New projected grant funding, if additional fees works required.  |  |
| <b>Total</b>  |       |                 | <b>200,000</b>      | -                   | -                   |  |  |
| <b>Devolved Formula Capital</b>                         |       |                 |                     |                     |                     |  |  |
| Devolved Formula Capital - Allocated by schools         |       | P Wilson        | 2,201,047           | -                   | -                   | Allocated direct to schools, combination of grant B/F from previous years and estimated grant for 14/15.                                     |  |
| <b>Total Learning &amp; Skills</b>                      |       |                 | <b>12,825,003</b>   | <b>1,709,784</b>    | <b>1,795,273</b>    |  |  |
| <b>Total Children's Services</b>                        |       |                 | <b>13,173,406</b>   | <b>1,709,784</b>    | <b>1,795,273</b>    |  |  |
| <b>Resources &amp; Support</b>                          |       |                 |                     |                     |                     |  |  |
| <b>Customer Care &amp; Support Services</b>             |       |                 |                     |                     |                     |  |  |
| <b>Property Services</b>                                |       |                 |                     |                     |                     |  |  |
| Disabilities Discrimination Act (other than schools)    | KXX18 | S Jackson       | 50,000              | 50,000              | 50,000              | Ongoing budget to meet Legal obligation of DDA, funded from Corporate Resources.   |  |
| Lord Hill Statue Repairs                                | KCS01 | S Jackson       | 50,000              | -                   | -                   | Final works and retention due on scheme 14/15; financed from corporate resources.  |  |
| Shirehall - Replace Roof Crown Courts                   | KCS02 | S Jackson       | 168,000             | -                   | -                   | Budget re-profiled from 13/14, scheme to be reassessed; financed from Corporate Resources.   |  |
|   |       |                 | <b>268,000</b>      | <b>50,000</b>       | <b>50,000</b>       |  |  |
| <b>Total Customer Care &amp; Support Services</b>       |       |                 | <b>268,000</b>      | <b>50,000</b>       | <b>50,000</b>       |  |  |
| <b>Total Resources &amp; Support</b>                    |       |                 | <b>268,000</b>      | <b>50,000</b>       | <b>50,000</b>       |  |  |
| <b>Total General Fund Capital Programme</b>             |       |                 | <b>48,255,856</b>   | <b>10,226,981</b>   | <b>5,345,273</b>    |  |  |
| <b>Housing Revenue Account</b>                          |       |                 |                     |                     |                     |  |  |
| <b>Major Repairs Programme - SC Contracts</b>           |       |                 |                     |                     |                     |  |  |
| Housing Major Repairs Programme                         | K5P01 | P McCreary      | 430,000             | 3,200,000           | -                   | Based on available Major Repairs Allowance Funding in HRA business plan, plus budget B/F from 2013/14. Allocated to specific schemes so far: |  |
| Kitchens & Bathrooms                                    | K5P20 | P McCreary      | 400,000             | -                   | -                   |  |  |
| Disabled Adaptations                                    | K5P24 | P McCreary      | 350,000             | -                   | -                   |  |  |
| Replacement Doors                                       | K5P41 | P McCreary      | 300,000             | -                   | -                   |  |  |
| Roofing   | K5P42 | P McCreary      | 100,000             | -                   | -                   |  |  |
| Heating Installations                                   | K5P43 | P McCreary      | 500,000             | -                   | -                   |  |  |
| Asbestos Removal  | K5P45 | P McCreary      | 500,000             | -                   | -                   |  |  |
| Insulation  | K5P46 | P McCreary      | 600,000             | -                   | -                   |  |  |
| Major Works Programme                                   | K5P56 | P McCreary      | 100,000             | -                   | -                   |  |  |
|   |       |                 | <b>3,280,000</b>    | <b>3,200,000</b>    | -                   |  |  |
| <b>Major Repairs Programme - STAR Housing Contracts</b> |       |                 |                     |                     |                     |  |  |
| STAR Housing Rewires                                    | K5R02 | P McCreary      | 300,000             | -                   | -                   |  |  |
| STAR Electrical Remedial Works                          | K5R04 | P McCreary      | 450,000             | -                   | -                   |  |  |
| STAR Roofing  | K5R05 | P McCreary      | 100,000             | -                   | -                   |  |  |
| STAR Major Works  | K5R06 | P McCreary      | 150,000             | -                   | -                   |  |  |
|   |       |                 | <b>1,000,000</b>    | -                   | -                   |  |  |
| <b>New Build Programme</b>                              |       |                 |                     |                     |                     |  |  |
| Housing New Build Programme                             | K5NB1 | P McCreary      | 5,810,890           | 87,090              | -                   | New build programme, financed from MRA, HRA revenue and capital receipts from sale of properties built.                                      |  |
|   |       |                 | <b>5,810,890</b>    | <b>87,090</b>       | -                   |  |  |
| <b>Total Housing Revenue Account</b>                    |       |                 | <b>10,090,890</b>   | <b>3,287,090</b>    | -                   |  |  |
| <b>Total Capital Programme</b>                          |       |                 | <b>58,346,746</b>   | <b>13,514,071</b>   | <b>5,345,273</b>    |  |  |

| Scheme Description  | Code | Project Manager | 2014/15 Budget<br>£ | 2015/16 Budget<br>£ | 2016/17 Budget<br>£ | Details |
|---|------|-----------------|---------------------|---------------------|---------------------|---------|
| <b>Financing</b>  |      |                 |                     |                     |                     |         |
| <b>Self Financed Prudential Borrowing</b>                           |      |                 | <b>261,142</b>      | -                   | -                   |         |
| <b>Government Grants</b>  |      |                 |                     |                     |                     |         |
| Department of Transport   |      |                 | 16,299,000          | -                   | -                   |         |
| Department of Health  |      |                 | 1,151,966           | -                   | -                   |         |
| Department for Education  |      |                 | 4,275,499           | -                   | -                   |         |
| - Condition Capital Grant   |      |                 | 492,821             | 1,709,784           | 1,795,273           |         |
| - Basic Need Capital Grant  |      |                 | 587,365             | -                   | -                   |         |
| - Universal Infant Free School Meals                                |      |                 | 2,186,525           | -                   | -                   |         |
| - Devolved Formula Capital  |      |                 | 1,081,000           | -                   | -                   |         |
| Disabled Facilities Grants  |      |                 | 894,000             | -                   | -                   |         |
| HCA - New Build   |      |                 | 6,719,314           | -                   | -                   |         |
| BDUK - Broadband  |      |                 | 720,601             | -                   | -                   |         |
| Environment Agency  |      |                 | <b>34,408,091</b>   | <b>1,709,784</b>    | <b>1,795,273</b>    |         |
| <b>Other Grants</b>   |      |                 |                     |                     |                     |         |
| Sports England  |      |                 | 29,400              | -                   | -                   |         |
| Natural England   |      |                 | 148,297             | -                   | -                   |         |
| Other Grants  |      |                 | 264,606             | -                   | -                   |         |
|   |      |                 | <b>442,303</b>      | -                   | -                   |         |
| <b>Other Contributions</b>  |      |                 |                     |                     |                     |         |
| Section 106   |      |                 | 381,512             | -                   | -                   |         |
| Other Contributions   |      |                 | 1,000               | -                   | -                   |         |
|   |      |                 | <b>382,512</b>      | -                   | -                   |         |
| <b>Revenue Contributions to Capital</b>                             |      |                 | <b>2,805,294</b>    | <b>311,400</b>      | -                   |         |
| <b>Major Repairs Allowance</b>                                      |      |                 | <b>6,293,314</b>    | <b>3,200,000</b>    | -                   |         |
| <b>Corporate Resources (Capital Receipts/ Prudential Borrowing)</b> |      |                 | <b>13,754,090</b>   | <b>8,292,887</b>    | <b>3,550,000</b>    |         |
| <b>Total Confirmed Funding</b>                                      |      |                 | <b>58,346,746</b>   | <b>13,514,071</b>   | <b>5,345,273</b>    |         |

## Annex 5 – New Delivery proposals to be developed

| Directorate                              | Service                     | Redesign Piece                        | Proposal  | 2014/15<br>£                   | 2015/16<br>£ | 2016/17<br>£ |
|--|-----------------------------|---------------------------------------|---|--------------------------------|--------------|--------------|
| Commissioning                            | Libraries                   | Outcomes for Customers                | Self Service Machines: Required to help deliver recurrent revenue savings.  | 100,000                        | -            | -            |
| Commissioning                            | Waste Management            | Renegotiate Contracts                 | Intelligent Client System: New software for the monitoring of performance under the Waste Management contract. Further details required as to what the £70,000 is for as may not be eligible capital expenditure.   | 70,000                         | -            | -            |
| Commissioning                            | Enterprise & Business       | Trade for Public Profit               | Stanley Lane Industrial Estate: Initial works to prepare the site for development of new workshop units.  | 150,000                        | -            | -            |
| Commissioning                            | Visitor Economy             | A workforce that fits                 | Acton Scott Historic Working Farm: Consolidates the retail and ticketing area, reducing staffing costs per annum by around £10,000.   | 36,000                         | -            | -            |
| Adult Services                           | Adult Social Care           | Building outcomes for customers       | Development of Supported Living Services for Adults with Learning Disabilities. Namely the development of 4 further Supported Living bungalows at Adderley Road, Market Drayton; London Road, Shrewsbury and two further sites to be identified. These developments will be part financed by the Development Trust, but will also require some match funding by the Council. It is planned to allocate the 2014/15 Adults capital grant towards these developments and work is ongoing to develop the plans and costs for each site and until that is in place, the funding from the Development Trust cannot be confirmed.   | Included in existing programme | -            | -            |
| Resources & Support                      | Commercial Services         | Sell assets don't need                | Ptarmigan Building - Installation of new toilets: Required to increase occupancy of building as in currently restricted on health & safety grounds. Scheme linked to Accommodation Strategy and will enable more staff to be located in the Ptarmigan Building, releasing other properties for disposal.  | 40,000                         | -            | -            |
| Resources & Support                      | Commercial Services         | Sell assets don't need                | Corporate Landlord: As part of the Corporate Landlord model some capital investment may be required where a major maintenance liability is identified, where condition has deteriorated to such an extent, due to pressure on the Corporate Repairs & Maintenance budget.<br><br>Some capital expenditure may also be required in order to enable the future disposal of some properties, such as where access to a property needs to be split. These will be considered based on individual project appraisals and should be self financed as these works will enable a further assets to be disposed, although there may be a short term pressure as the works will be required in advance of the disposal and may cross financial years. | TBC                            | TBC          | TBC          |
| Resources & Support                      | Commercial Services         | Sell assets don't need                | Refit of Buildings: Estimate of likely costs of refitting buildings due to accommodation moves required but could be higher depending on the option chosen.   | 600,000                        | -            | -            |
| Resources & Support                      | Commercial Services         | Outcomes for Customers                | University Project: Work being undertaken around getting the university up and running. Awaiting details of what student numbers are likely to be in both Sept 14 and Sept 15, but we could be trying to create halls of residence for up to 300 students. Costs will depend very much on what we acquire.  | TBC                            | TBC          | TBC          |
| Resources & Support                      | Legal Strategy & Democratic | Trade for Public Profit               | Replacement of Ballot Booths: Replacement of 143 Ballot Booths for Health & Safety Reasons - will generate more income from hiring out.   | 43,615                         | -            | -            |
| Resources & Support                      | Customer Involvement        | Sell assets don't need                | Mobile Contract Replacement : Procurement route is in place, alternative is to procure through IP&E Trade Co, estimated cost c. £80k; has been identified can be funded from IT budget, so no capital commitment required.  | -                              | -            | -            |
| Resources & Support                      | Customer Involvement        | Sell assets don't need                | Lync Telephony Rollout: Appraisal received and approved in principal - awaiting tender confirmation. Approved as self financing borrowing (to be repaid from revenue savings).£198k identified from transformation, leaves a potential shortfall on the purchasing of handsets of approx. £300k.  | 300,000                        | -            | -            |
| Resources & Support                      | Customer Involvement        | Sell assets don't need                | Equitrac Implementation: Reduction in Hardware. Cost c.£25k. Further details required, may not be/all be capital expenditure. No longer being rolled out for 2014/15 at present.  | -                              | -            | -            |
| Resources & Support                      | Customer Involvement        | Sell assets don't need                | EDRMS Rollout: £170k already spent, project underway to replace MORSE. Further details required, may not be/all be capital expenditure. £176k allocated in Transformation which assumed will cover these costs, unless further capital investment is required.  | -                              | -            | -            |
| Resources & Support                      | Customer Involvement        | Sell assets don't need                | Move exchange to cloud: Migration required. Hardware refresh required in 2014 at £500k which means the shift to Cloud is cheaper. Relocation costs negated. Further details required, may not be/all be capital expenditure.  | 200,000                        | -            | -            |
| Resources & Support                      | Customer Involvement        | Zero based budget & business planning | Electronic Mail Room Implementation: Based on original business case from 2012, will need revisiting, however this is a service we could procure "as a service", we cannot host on premise. Excludes CR impact. Further details required, may not be/all be capital expenditure.  | 500,000                        | -            | -            |
| Resources & Support                      | Customer Involvement        | Stop Waste                            | Disaster Recovery/Single View of the Customer/Decommissioning : Services bundled within this offer would have a return on investment for benefits fraud, council tax fraud, generic fraud and will provide the organisation with a decommissioning plan which is required for moving the data centre and reducing the data centre move costs. In addition provides the council with single view of customer and business intelligence which starts to put in place prevention services (required as an outcome of the business planning process across all areas). Further details required, may not be/all be capital expenditure.   | 956,000                        | -            | -            |
| Resources & Support                      | Finance & Assurance         | Zero based budget & business planning | Procure to Pay (P2P): Potential Investment required if new system to be implemented.  | 100,000                        | -            | -            |
| <b>Total based on current estimates:</b> |                             |                                       |   | <b>3,052,000</b>               | -            | -            |



## Annex 6 – Highways Programme

| Funding in capital Programme                  | £                 |
|---|-------------------|
| DfT - Maintenance Block                       | 11,973,000        |
| DfT - Integrated Transport Block              | 2,385,000         |
| DfT - Local Sustainable Transport Fund        | 714,000           |
| DfT - Additional Highways Maintenance Funding | 1,227,000         |
| Other Grant                                   | 264,606           |
| Revenue Contribution to Capital               | 125,000           |
|   | <b>16,688,606</b> |

| Scheme   | CC  | Budget Holder     | Total Budget     | Financing               |   |                                  |  |             |                |
|--|---|-------------------|------------------|-------------------------|---|----------------------------------|--|-------------|----------------|
|  |   |                   |                  | DfT - Maintenance Block | DfT - Additional Highways Maintenance Funding | DfT - Integrated Transport Block | DfT - Local Sustainable Transport Fund | Other Grant | Revenue        |
|  |   |                   |                  | £                       | £   | £                                | £                                      | £           | £              |
| <b>Highways</b>  |   |                   |                  |                         |   |                                  |  |             |                |
| <b>Structural Maintenance of Bridges</b>   |   |                   |                  |                         |   |                                  |  |             |                |
| <b>Bridgeguard Rolling Programme</b>   | <b>K6BG4</b>  | <b>J Williams</b> | <b>1,630,706</b> | <b>1,366,100</b>        |   | -                                | -                                      |             | <b>264,606</b> |
| Planned Programme of works to include the following schemes, including consultancy fees, land compensations costs and other associated direct capital costs:   |   |                   |                  |                         |   |                                  |  |             |                |
| Tern No 1 Bridge   | Lining of existing ARMCO structure.   |                   |                  |                         |   |                                  |  |             |                |
| Hadnall Culvert  | Culvert replacement work including substantial approach and departure work.       |                   |                  |                         |   |                                  |  |             |                |
| Bankfields Lane Bridge   | Replace existing bridge.  |                   |                  |                         |   |                                  |  |             |                |
| Stiperstones Ret Wall  | Parapet replacement and wall facing work.   |                   |                  |                         |   |                                  |  |             |                |
| Aston Bridge   | Take down and rebuild spandrel walls.   |                   |                  |                         |   |                                  |  |             |                |
| Church Window Bridge   | Take down and rebuild the upstream spandrel and wing walls and saddle the bridge. |                   |                  |                         |   |                                  |  |             |                |
| Outrack Bridge   | Repainting work   |                   |                  |                         |   |                                  |  |             |                |
| Heathton West Bridge   | Rebuild downstream wing wall.   |                   |                  |                         |   |                                  |  |             |                |
| Wagbeach Footbridge  | Install new footbridge  |                   |                  |                         |   |                                  |  |             |                |
| Hurst Bend, Clun   | River bank restoration work.  |                   |                  |                         |   |                                  |  |             |                |
| Glazeley Bridge  | Ground beam and safety fence work.  |                   |                  |                         |   |                                  |  |             |                |
| Farlow Bridge  | Remaining 50% payment from 2013/14 work.  |                   |                  |                         |   |                                  |  |             |                |
| Water Lane Retaining Wall  | Retention from 2013/14 scheme   |                   |                  |                         |   |                                  |  |             |                |
| Sweyney Bridge   | Retention from 2013/14 scheme   |                   |                  |                         |   |                                  |  |             |                |
| Beech House Canal Bridge   | Retention from 2013/14 scheme   |                   |                  |                         |   |                                  |  |             |                |
| Pimley Manor & Uffington Bridges   | Retention from 2012/13 scheme   |                   |                  |                         |   |                                  |  |             |                |
| Buildwas Bridge  | Retention from 2012/13 scheme   |                   |                  |                         |   |                                  |  |             |                |
| <b>Structural Maintenance of Roads - To be split across Principal &amp; Secondary Roads in year based on final programme of schemes to be delivered</b>  |   |                   |                  |                         |   |                                  |  |             |                |
| <b>Shropshire Central - Road Maintenance Projects</b>  | <b>K6AF0</b>  | <b>T Sneddon</b>  | <b>3,500,000</b> | <b>2,273,000</b>        | <b>1,227,000</b>                              |                                  |  |             |                |
| Centralised budget for highway re-surfacing of highest priority schemes identified from network condition data. The budget will be used to design and implement these schemes in 2014/15 and also to identify schemes to be designed ready for implementation in 2015/16, based on an estimated budget available for both years at this stage. |   |                   |                  |                         |   |                                  |  |             |                |
| The order in which we deliver the schemes and also the number we be dependent on various factors including:  |   |                   |                  |                         |   |                                  |  |             |                |
| <ul style="list-style-type: none"> <li>• Complexity of design</li> <li>• Co-ordination of road space</li> <li>• Seasonal construction operations</li> <li>• Environmental constraints</li> <li>• Availability of resources</li> <li>• Availability of contractors resources</li> </ul>   |   |                   |                  |                         |   |                                  |  |             |                |

| Scheme   | CC           | Budget Holder    | Total Budget          | Financing               |   |                                  |  |             |         |
|--|--------------|------------------|-----------------------|-------------------------|---|----------------------------------|--|-------------|---------|
|  |              |                  |                       | DfT - Maintenance Block | DfT - Additional Highways Maintenance Funding | DfT - Integrated Transport Block | DfT - Local Sustainable Transport Fund | Other Grant | Revenue |
|  |              |                  |                       | £                       | £   | £                                | £                                      | £           | £       |
| <b>Structural Maintenance of Roads - To be split across Principal &amp; Secondary Roads in year based on final programme of schemes to be delivered</b>  |              |                  |                       |                         |   |                                  |  |             |         |
| <b>Shropshire Central - Road Maintenance Projects</b>  | <b>K6AF0</b> | <b>T Sneddon</b> | <b>3,500,000</b>      | <b>2,273,000</b>        | <b>1,227,000</b>                              |                                  |  |             |         |
| The provisional list of the top 20 sites to be considered for 2014/15 from the priority list which has been identified by network condition data is as follows:  |              |                  |                       |                         |   |                                  |  |             |         |
| <b>Location</b>  | <b>ID</b>    | <b>Length</b>    | <b>Prioritisation</b> | <b>Division</b>         |   |                                  |  |             |         |
| A442 Cann Hall Lane (Bypass)   | A442/480     | 175              | Renewal               | South East              |   |                                  |  |             |         |
| B4385 Station Street   | B4385/ 90    | 444              | Renewal               | South West              |   |                                  |  |             |         |
| A489 Heblands Junction to Bromleys Mill  | A489/ 40     | 1,263            | Renewal               | South West              |   |                                  |  |             |         |
| B4384 Schoolhouse Lane - Kennel Crossroads 40MPH Section   | B4384/ 30    | 511              | Preservation          | South West              |   |                                  |  |             |         |
| A529 High Street, Market Drayton   | A529/120     | 260              | Renewal               | North East              |   |                                  |  |             |         |
| A529 Adderley Lodge to Spoonley Junction   | A529/ 40     | 2,256            | Renewal               | North East              |   |                                  |  |             |         |
| A529 Shavington Junction to Adderley Lodge   | A529/ 30     | 1,335            | Renewal               | North East              |   |                                  |  |             |         |
| A490 Chirbury to County Boundary Calcot  | A490/ 40     | 2,911            | Renewal               | South West              |   |                                  |  |             |         |
| A488 Halston Junction to Pontesford 30MPH limit  | A488/530     | 1,319            | Renewal               | Central                 |   |                                  |  |             |         |
| A41 Chester Road roundabout to B5395 junction, Grindley Brook  | A41/480      | 347              | Preservation          | North East              |   |                                  |  |             |         |
| A489 B4370 junction to Glenburrell   | A489/ 95     | 1,026            | Renewal               | South West              |   |                                  |  |             |         |
| B5065 Prees Lower Heath (Crunchmoor Lane junction to start 30MPH)  | B5065/ 80    | 1,733            | Renewal               | North East              |   |                                  |  |             |         |
| A5191 Spring Gardens, Shrewsbury   | A5191/ 90    | 120              | Renewal               | Central                 |   |                                  |  |             |         |
| B4367 Clungunford Village  | B4367/ 30    | 314              | Renewal               | South West              |   |                                  |  |             |         |
| A4117 Cleobury to B4202 Junction   | A4117/220    | 1,884            | Preservation          | South West              |   |                                  |  |             |         |
| A529 Adderley - County boundary to 30MPH start   | A529/ 10     | 1,763            | Renewal               | North East              |   |                                  |  |             |         |
| A495 Penisarllan Junction to Steetley junction   | A495/ 20     | 2,361            | Renewal               | North West              |   |                                  |  |             |         |
| B4385 Three Ashes to Hopton Heath  | B4385/200    | 1,853            | Renewal               | South West              |   |                                  |  |             |         |
| A488 Colstey Cottage to Acton  | A488/230     | 1,799            | Renewal               | South West              |   |                                  |  |             |         |
| A53 Bradnor House to Albrightlee House   | A53/ 40      | 470              | Renewal               | Central                 |   |                                  |  |             |         |
| <b>North Shropshire West - Unallocated Budget</b>  | <b>K6S1A</b> | <b>T Sneddon</b> | <b>989,035</b>        | <b>989,035</b>          |   |                                  |  |             |         |
| <b>North Shropshire East - Unallocated Budget</b>  | <b>K6S2A</b> | <b>T Sneddon</b> | <b>975,525</b>        | <b>975,525</b>          |   |                                  |  |             |         |
| <b>South Shropshire West - Unallocated Budget</b>  | <b>K6S6A</b> | <b>T Sneddon</b> | <b>1,130,955</b>      | <b>1,130,955</b>        |   |                                  |  |             |         |
| <b>South Shropshire East - Unallocated Budget</b>  | <b>K6S4A</b> | <b>T Sneddon</b> | <b>1,186,155</b>      | <b>1,186,155</b>        |   |                                  |  |             |         |
| <b>Shrewsbury Urban - Unallocated Budget</b>   | <b>K6S7A</b> | <b>T Sneddon</b> | <b>653,823</b>        | <b>653,823</b>          |   |                                  |  |             |         |
| <b>Shrewsbury Rural - Unallocated Budget</b>   | <b>K6S5A</b> | <b>T Sneddon</b> | <b>823,807</b>        | <b>823,807</b>          |   |                                  |  |             |         |
| Budgets devolved to Highways Divisions based on length of highways network in the division. To be allocated by Divisions to structural maintenance schemes on Principal & Secondary roads within in their divisional area, based on asset management need. |              |                  |                       |                         |   |                                  |  |             |         |
| <b>Depot Fixed Costs - Principal</b>   | <b>K6P01</b> | <b>T Sneddon</b> | <b>250,222</b>        | <b>250,222</b>          |   |                                  |  |             |         |
| <b>Depot Fixed Costs - Secondary</b>   | <b>K6S01</b> | <b>T Sneddon</b> | <b>899,378</b>        | <b>899,378</b>          |   |                                  |  |             |         |
| Budget required for capital element of Depot fixed costs; 45% of total cost, with remainder charged to revenue. Provisional split between Principal and Secondary roads based on estimated split of the capital programme.                                 |              |                  |                       |                         |   |                                  |  |             |         |

| Scheme  | CC           | Budget Holder      | Total Budget      | Financing               |   |                                  |  |             |                |
|---|--------------|--------------------|-------------------|-------------------------|---|----------------------------------|--|-------------|----------------|
|   |              |                    |                   | DfT - Maintenance Block | DfT - Additional Highways Maintenance Funding | DfT - Integrated Transport Block | DfT - Local Sustainable Transport Fund | Other Grant | Revenue        |
|   |              |                    | £                 | £                       | £   | £                                | £                                      | £           | £              |
| <b>Shropshire Central - Unallocated Responsive Budget</b>   | <b>KSA01</b> | <b>T Sneddon</b>   | <b>500,000</b>    | <b>500,000</b>          |   |                                  |  |             |                |
| Centrally retained budget, to initially be held back in the event of any unplanned responsive works are require in year. To be allocated to specific schemes in year.   |              |                    |                   |                         |   |                                  |  |             |                |
| <b>Road Assessment Surveys</b>  | <b>KSA94</b> | <b>T Sneddon</b>   | <b>250,000</b>    | <b>250,000</b>          |   |                                  |  |             |                |
| Centrally retained budget for road assessment surveys, where they are eligible as part of capital schemes.  |              |                    |                   |                         |   |                                  |  |             |                |
| <b>Shropshire Drainage - Secondary Roads</b>  | <b>KNS9F</b> | <b>T Sneddon</b>   | <b>200,000</b>    | <b>200,000</b>          |   |                                  |  |             |                |
| <b>Shropshire Drainage - Principal Roads</b>  | <b>KPS9F</b> | <b>T Sneddon</b>   | <b>100,000</b>    | <b>100,000</b>          |   |                                  |  |             |                |
| Centrally retained budget for highways drainage structural maintenance scheme on Principal and Secondary roads.   |              |                    |                   |                         |   |                                  |  |             |                |
| <b>Total Structural Maintenance of Roads</b>  |              |                    | <b>11,458,900</b> | <b>10,231,900</b>       | <b>1,227,000</b>                              | -                                | -                                      | -           | -              |
| <b>Street Lighting</b>  |              |                    |                   |                         |   |                                  |  |             |                |
| <b>Programme of structural replacement of lighting columns</b>  | <b>K6SL1</b> | <b>R Buzzacott</b> | <b>300,000</b>    | <b>175,000</b>          |   |                                  |  |             | <b>125,000</b> |
| Budget for the replacement of existing lighting columns that have reached the end of their asset life. Replacement lighting will be new efficient lighting stock and will thus enable ongoing operational revenue savings to be made against street lighting budgets. |              |                    |                   |                         |   |                                  |  |             |                |
| <b>LED Conversions</b>  | <b>K6SL2</b> | <b>R Buzzacott</b> | <b>100,000</b>    | <b>100,000</b>          |   |                                  |  |             |                |
| Budget for the to convert existing lighting to LED. These will be more energy efficient than existing lights and will thus enable ongoing operational revenue savings to be made against street lighting budgets.   |              |                    |                   |                         |   |                                  |  |             |                |
| <b>Part Night Lighting</b>  | <b>K6SL3</b> | <b>R Buzzacott</b> | <b>100,000</b>    | <b>100,000</b>          |   |                                  |  |             |                |
| Budget for adapting lighting for part night lighting, this will enable ongoing operational revenue savings to be made against street lighting budgets.  |              |                    |                   |                         |   |                                  |  |             |                |
| <b>Total Street Lighting</b>  |              |                    | <b>500,000</b>    | <b>375,000</b>          | -   | -                                | -                                      | -           | <b>125,000</b> |
| <b>Total Highways</b>   |              |                    | <b>13,589,606</b> | <b>11,973,000</b>       | <b>1,227,000</b>                              | -                                | -                                      | -           | <b>389,606</b> |
| <b>Integrated Transport</b>   |              |                    |                   |                         |   |                                  |  |             |                |
| <b>Network Management and Efficiency</b>  | <b>K6NE1</b> | <b>R Buzzacott</b> | <b>963,977</b>    | -                       |   | <b>849,977</b>                   | <b>114,000</b>                         |             | -              |
| To be allocated to schemes to improve Network Management and Efficiency, full programme of schemes for delivery in 2014/15 to be identified.  |              |                    |                   |                         |   |                                  |  |             |                |
| <b>Public Transport</b>   | <b>K6PT4</b> | <b>R Buzzacott</b> | <b>150,000</b>    | -                       |   | <b>100,000</b>                   | <b>50,000</b>                          |             | -              |
| To be allocated to schemes for Public Transport, full programme of schemes for delivery in 2014/15 to be identified.  |              |                    |                   |                         |   |                                  |  |             |                |
| <b>Walking and Cycling</b>  | <b>K6CY2</b> | <b>R Buzzacott</b> | <b>1,007,680</b>  | -                       |   | <b>457,680</b>                   | <b>550,000</b>                         |             | -              |
| To be allocated to walking and cycling schemes, full programme of schemes for delivery in 2014/15 to be identified.   |              |                    |                   |                         |   |                                  |  |             |                |
| <b>Safety and Speed Management</b>  | <b>K6SM1</b> | <b>R Buzzacott</b> | <b>977,343</b>    | -                       |   | <b>977,343</b>                   | -                                      |             | -              |
| To be allocated to schemes to improve safety and speed management, full programme of schemes for delivery in 2014/15 to be identified.  |              |                    |                   |                         |   |                                  |  |             |                |
| <b>Total Integrated Transport</b>   |              |                    | <b>3,099,000</b>  | -                       |   | <b>2,385,000</b>                 | <b>714,000</b>                         |             | -              |
| <b>Total Highways &amp; Transport</b>   |              |                    | <b>16,688,606</b> | <b>11,973,000</b>       | <b>1,227,000</b>                              | <b>2,385,000</b>                 | <b>714,000</b>                         | -           | <b>389,606</b> |

# Business Plan and Financial Strategy 2014 - 2017



Our customers are at the centre of everything we do