

**Committee and Date**Cabinet  
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Item

Public



## Financial Monitoring Quarter 2 2024/25

<b>Responsible Officer:</b>	James Walton		
email:	<a href="mailto:james.walton@shropshire.gov.uk">james.walton@shropshire.gov.uk</a>	Tel:	01743 258915
<b>Cabinet Member (Portfolio Holder):</b>	Cllr Gwilym Butler, Finance & Corporate Support		

### 1. Synopsis

The Council continues to address significant financial pressures but it remains possible to secure a balanced position by year end. Clear management action planned for the remainder of the year will prevent a financial crisis by tackling the risks identified in this report.

### 2. Executive Summary

- 2.1. This report provides a detailed review of the Council's financial position as at the 30 September 2024. The projected overspend is £35.1m. It is the second quarterly report of the year and is presented with more information than the monthly reports on the 2024/25 financial position. Later reports in the current year will follow for subsequent quarters, supplemented by interim monthly reports.
- 2.2. This year Cabinet has received formal reports each month, rather than each quarter, on the Council's financial position. Furthermore, officers have sought to publish monthly reports at the first available cabinet following period end through increased use of automation in the process. This approach has been essential in improving the transparency of, and accountability for, our financial position.
- 2.3. While the headline overspend has not moved down significantly since the Period 2 report this distracts from the increasing robustness of the underlying figures making up the projections. As each month progresses a greater proportion of the Council's spending and income becomes certain, and the risks associated with the diminishing remainder of the financial year clearly likewise diminishes.

Furthermore, estimates from earlier in the year can be revisited and reworked, strengthening the robustness of financial projections. An example of this is the £5.5m adjustment for resizing introduced in Period 3, that is now a significantly reduced adjustment of £0.969m. Over the same period the bottom line (after this adjustment) has improved from £38.5m to £35.1m demonstrating increased robustness at the same time as continued, albeit minimal, improvement each month.

- 2.4. This report sets out a financial projection across all areas of council activity which remains narrowly within the available resources. The Council is therefore not in the position of being in an urgent financial crisis. It remains, however, that there is very little flexibility should unanticipated events arise which put additional financial pressure on the council. These unanticipated events are described in Table 3 and are currently anticipated to have no financial impact this year. This means that work must continue to reduce spending as much as possible to increase overall financial resilience for the Council.
- 2.5. The forecast set out in this report is for a central projection (“most likely”) of £35.1m spend over budget, in a range of £19.7m-£74.6m. The ‘most likely’ central projection is based on the position from which least variance is anticipated. The favourable scenario assumes potential likely improvements to the position; the adverse position assumes potential likely deteriorations. This is set out in detail in the report.

	£m
‘adverse’ projection	£74.6m over budget
<b>Central projection (‘most likely’)</b>	<b>£35.1m over budget</b>
‘favourable’ projection	£19.7m over budget

- 2.6. In that context, it should be noted that at the time of reporting there remains over four months in the year during which work can continue to improve the position, and that there is considerable scope to impact on the planned spending of over £172m in the coming months.
- 2.7. There are several areas (for example, spending controls around third party spending) where governance measures across the whole council are being strengthened. It should be noted that this is a usual process in the context of persisting financial pressures. This is not an increase in bureaucracy – rather, it is part of the necessary process of ensuring that all money used by the council – which is public money – is used in a way that maximises value for money for the public purse. Standard processes and procedures are part of the way that we enable how the millions of the transactions (financial and non-financial) that the council engages upon throughout the year are completed in a timely and efficient manner, avoiding unnecessary re-work and subsequent correction. In simple terms, this is how we are ensuring that we are ‘getting it right’.

### 3. Recommendations

3.1 It is recommended that:

- A. Cabinet Members continue to work closely with the Chief Executive and senior officers to urgently take the necessary actions to improve further the Quarter 2 forecast of a projected spend over budget of £35.095m (30<sup>th</sup> September 2024), by year end, predominantly focussing on remaining savings or mitigating actions to be delivered in 2024/25.
- B. Cabinet Members discuss the impact of the projected expenditure forecast on the General Fund Balance and note the risk of further service pressures (savings required) in next year if financial performance in the current year is not improved.

## Report

### 4. Risk Assessment and Opportunities Appraisal

4.1. A more regular review of the emerging financial position for the year is an essential part of the risk management approach of the council during the coming year. The level of savings delivery and financial pressures in the current year are a recognised risk for the 2024/25 budget, and continued focus and action are being put in place to address this.

4.2. Risk table

<i>Risk</i>	<i>Mitigation</i>
<p>Savings delivery is below the targeted level; mitigations to unachieved savings are not secured at reasonable levels.</p> <p>Savings of £62.5m were agreed for the 2024/25 budget. Another area of cost reduction or avoidance includes demand management activity in social care, targeting £6.7m, and confirmation of savings secured in 2023/24 but only one-off (pending decisions taken through a wider workforce review).</p>	<p>Savings delivery is divided into two main areas of activity – service-led activity or organisational-wide initiatives – each with different approaches.</p> <p>Organisational savings are subject to support from the Council's strategic partner (PwC) with further, deeper, initiatives proposed to mitigate shortfalls.</p> <p>Some areas of savings proposed by service leads have not yet been wholly achieved (or mitigated). Action should be taken in these areas to secure the savings as planned, or to mitigate unachieved savings through other measures.</p>

<p>That management actions required to bring the budget into balance do not yield the results being targeted, leading to a larger pressure on the general fund balance.</p>	<p>To deepen engagement and action planning through Directorate Management and Chief Officer teams.</p> <p>This includes visibility and closer scrutiny of all spending decisions in both pay and non-pay areas.</p>
<p>Insufficient reserves to cover projected overspending or other deficits</p>	<p>Improved budget preparation process with more analysis of current and future activity trends. Modelling of current and future reserves levels, including both earmarked and unearmarked, against likely levels of pressure and impact on securing the desirable level of unearmarked (general) reserves.</p> <p>Review of ways in which further funds can be brought into unallocated general fund balances and reserves to support balance sheet repair and reserves improvement with the aim to retain a General Fund Balance within the range of £15m to £30m.</p> <p>If available reserves are less than the projected deficit (overspend), this indicates that a 's114 notice' should be issued (signalling "effective bankruptcy").</p> <p>It should be noted that this is not, in itself, a mitigation, as the actions required to address "effective bankruptcy" are the same as those required to balance the budget under normal circumstances. "Effective bankruptcy" does not bring additional government resource with it but could attract significant publicity while action to fully correct the position was undertaken. During that time, it would be likely that many residents, staff, and suppliers would be highly concerned.</p>
<p>That targeted savings from Re-sizing work are not realised in full</p>	<p>Dedicated resources are being applied to ensuring that the decisions arising from the Resizing work are enacted in a timely way.</p> <p>All ongoing staffing decisions are being discussed weekly by Directorate Leadership Teams, aligned to decisions taken around resizing. Work to remove funded vacant posts is progressing rapidly, and further options to reduce the workforce have been considered with opportunities being identified. The report includes reference to some of these, but the list is limited as there are important processes which must be observed to protect and support the staff who may be affected.</p>
<p>That targeted benefits from reducing supply chain spending are not realised in full</p>	<p>Dedicated resources are being applied to ensuring that identified opportunities to reduce supply chain spending is checked and challenged.</p> <p>All spending decisions have been discussed weekly by Directorate Leadership Teams from September.</p>

	<p>Current forecasts indicate that the total level of expenditure in the year is expected to be in excess of £700m. Of this, c£356m is 'third party' or supply chain spending, some of which can be reviewed and slowed or stopped temporarily. Of this, c£233m has been spent to the end of September and projections to March indicate further planned spending of £172m. Reducing month-by-month spend by c5% would help secure an improved financial position.</p> <p>It should also be noted that considerable work has already been completed in the year so far, addressing third party spending through other savings proposals.</p>
Other unbudgeted risks arise before the end of the financial year	<p>The General Fund balance is reviewed as part of setting the budget each year and compared with known areas of local risks (such as the pay settlement for staff, supply chain inflation, resident need for different services). The assessment at the start of the year indicated that the balance at 1 April would be sufficient to cover a range of risks. The current forecast indicates that additional currently unknown risks may create additional pressure which could not be sustained, The action on reducing third party spending will create additional resilience by ensuring that there is sufficient 'headroom' in the Council's finances to absorb unanticipated shocks.</p>

- 4.3. The key opportunity is that the reporting period for this report is to the end of September. The Council therefore, at the time of reporting, has over four months left **to take necessary action to secure an improved financial position with continued focus and action during the remainder of the financial year.**
- 4.4. The Council continues to review 7 key risks around financial pressures, as set out in previous reports. These summarise key areas which could substantially change the overall position of the Council. Table 3 (below) summarises the nature of each risk and the P6 (Q2) view on the position for each, as well as how those might change, both favourably and unfavourably.

Table 3 - analysis of the 3 forecast scenarios with commentary (NB - table with risk factors 1-4 has been amended from initially published version)

factor	MTFS assumption	P6		
		Fav	Central	Adv
1. Savings delivery	Budget and MTFS assume 100% delivery of all savings each year on a recurrent basis. Target for 2024/25 is £62.5m, plus £6.7m demand mgt, plus £20.7m found in 23/24 but only on a one-off basis - these are different amounts arising separately, but aggregate to £90m.	30	38.4	41.6
2. Social care demand pressure beyond budget estimates	Demand reduction measures assumed to support delivery within budget. Excess demand beyond that will impact overall financial performance.	0	7	10.5
3. Other unbudgeted pressures	The budget assumes all material considerations are included in the estimates. Other pressures outside those estimates are not included, hence the provision of a general fund balance (although other Councils include a revenue contingency budget).	-10.3	-10.3	0
4. Capital receipts sufficiency	Capital receipts are generated at a level that, when added to 'in-hand' and 'de-committed' amounts, will cover VR costs plus transformation costs (capitalised). Gap at year start identified as £33m.	0		18.5
5. External factors	A number of factors are known to be able to impact the financial position indirectly, but the timing or likelihood of these is unknown at the time of setting the budget. The GFB level is set on the basis of being a fund of last resort in the face of such pressures.			4
6. Project risks	No direct or indirect implications are assumed in the budget. Possible risks include the withdrawal of funding for major capital projects which may lead to revenue pressure as 'sunk' costs are written off.			
7. Cash position (Liquidity)	The MTFS assumes that day-to-day liquidity is planned for an maintained. Failure to do this, or a rapid deterioration in the council's financial position may lead to unbudgeted finance costs, and reputational damage as staff and supplier payments are placed in jeopardy.			
		19.70	35.10	74.60

## 5. Financial Implications

- 5.1. Shropshire Council is currently managing an unprecedented financial position as budgeted for within the Medium Term Financial Strategy approved by Council on 29 February 2024 and detailed in our monitoring position presented to Cabinet on a monthly basis. This demonstrates that significant management action is required over the remainder of the financial year to ensure the Council's financial survival. While all Cabinet Reports provide the financial implications of decisions being taken, this may change as officers review the overall financial situation and make decisions aligned to financial survivability. Where non-essential spend is identified within the Council, this will be reduced. This may involve
- scaling down initiatives,
  - changing the scope,
  - delaying implementation, or
  - extending delivery timescales.
- 5.2. This report sets out the financial projections for the Council in the 2024/25 Financial Year as at Quarter 2. A summary of the key elements for managing the Council's budget are detailed elsewhere in this report.

## 6. Climate Change Appraisal

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

## 7. Background

- 7.1. Given that the financial position of the council remains highly challenging, summary budget monitoring reports highlighting the anticipated year end projection are produced monthly for Cabinet, with detailed updates reported quarterly to Cabinet.
- 7.2. The monitoring reports track progress against agreed budget decisions, consider any budget changes (including re-profiling on Capital), forecast any significant variances to the budget, and enable corrective action to be taken to ensure a balanced budget at year end.
- 7.3. Council approved the Financial Strategy 2024/25 – 2028/29 on 29 February 2024 which outlined the revenue and capital budget for 2024/25.

## 8. Forecast Revenue Outturn Position as at Quarter 2

- 8.1. At Quarter 2 (April 1 – September 30), the Council is reporting a forecast overspend of £35.095m. This forecast is based on the current projections for savings delivery and includes anticipated benefits arising from the service review process.
- 8.2. The position indicated by the current estimated spending to the end of the year would require the majority of the General Fund Balance to be applied to maintain balance between income and expenditure within the year. This would be a dangerous position if it arose. Urgent intervention is required through all portfolio areas to secure improvements in the position – seeking out and correcting all areas where planned expenditure can be reduced, removed, or deferred. Put simply, the current anticipated level of expenditure needs to be significantly reduced.
- 8.3. Officers are actively monitoring progress against seven risk areas that underpin the strategic risk "Inability to Contain overall committed Expenditure within the Current Available Resources within this Financial Year". This is set out within Section 4. This shows how the current forecast of spending exceeding available resources by £35.095m is a key factor in managing these strategic risks.
- 8.4. Table 4 below summarises the net budget position by directorate (see also Appendix 1A and 1B), including latest projections on funding. A breakdown of the projected outturn by portfolio holder is detailed in Appendix 1C. These figures are based on the pre-service review process.

Table 4 - Projected Outturn by Directorate

Directorate	Revised Budget (£'000)	Projected Outturn (£'000)	(Under)/Overspend (£'000)	Of which, savings not yet delivered
People	215,593	231,913	16,319	0
Place	51,479	64,417	12,938	9,100
Resources	4,111	8,178	4,068	2,000
Health & Wellbeing	6,170	5,873	(297)	0
Strategic Management Board	427	1,040	613	1,900
<b>Service Delivery Budgets</b>	<b>277,780</b>	<b>311,421</b>	<b>33,641</b>	<b>13,000</b>
Corporate	(16,083)	(13,659)	2,423	
<i>Organisation wide savings</i>				26,500
<b>Net Expenditure</b>	<b>261,697</b>	<b>297,762</b>	<b>36,064</b>	<b>39,500</b>
<b>Anticipated re-sizing benefit</b>	<b>0</b>	<b>(969)</b>	<b>(969)</b>	
<b>Net Expenditure incl. re-sizing</b>	<b>261,697</b>	<b>296,793</b>	<b>35,095</b>	
Council Tax	(205,104)	(205,104)	0	
Business Rates	(41,306)	(41,306)	0	
Top Up Grant	(10,925)	(10,925)	0	
Revenue Support Grant	(7,974)	(7,974)	0	
Collection Fund (Surplus)/Deficit	3,612	3,612	0	
<b>Funding</b>	<b>(261,697)</b>	<b>(261,697)</b>	<b>0</b>	



<b>Total</b>	<b>0</b>	<b>35,095</b>	<b>35,095</b>
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8.5. The majority of the current forecast overspend can be summarised as:

- Service spending over budget of £36.064m, as:
  - Savings not yet delivered of £39.4m as detailed in section 11 below.
  - Pressure of £6.2m in relation to external residential, external foster placements and agency social workers in Children’s Social Care.
  - Net income above budget by £10.3m offset by other smaller variations of £0.8m
- £0.969m of additional savings not included in the values above due to the timing of service review process not aligning to the P6 monitoring process.
- Overall forecast of £35.095m.

8.6. The service review process involved detailed reviews of all posts across the authority and was completed at an operational level by the end of July. Detailed work is now being undertaken to identify vacant posts, posts already identified as part of service led restructures, eternally funded posts, and other variables. Where decisions put staff at risk, full HR policies will be followed. Until this process is completed the impact on budgets will be estimated. At Quarter 2 we anticipate that the financial benefit of this work will be approximately £0.969m in-year.

## 9. Planned Expenditure and Income

9.1. As part of the review of all expenditure to the end of the year, attention has been given to scrutiny of spending plans from October to March. Spending already incurred in the year to date is now fixed – but some spending to the end of the year continues to be ‘addressable’ or ‘controllable’ by budget holders. Support is being provided by the finance team to all budget holders to ensure that only unavoidable costs are incurred, and that these are appropriately minimised.

9.2. The tables below set out the gross expenditure and income in all areas to illustrate this.

9.3. Overall, there remains c £360million of spending yet to be finalised in the year and c £370m of income to be confirmed (the majority of income includes non-core grants, such as the Dedicated Schools Grant).

Overall	Budget	YTD Actuals	Projection	Forecast Variance	Projected spending/income October - March
Expenditure <b>Total</b>	<b>£688,876,200</b>	<b>£380,347,696</b>	<b>£740,938,599</b>	<b>£52,062,399</b>	<b>£360,590,903</b>
Third Party Payments	£239,070,690	£151,906,123	£259,148,428	£20,077,738	£107,242,305
Employees	£148,586,300	£88,813,414	£151,631,655	£3,045,355	£62,818,241
Transfer Payments	£106,163,830	£52,045,483	£104,393,933	-£1,769,897	£52,348,449
Supplies & Services	£73,495,870	£57,641,365	£96,524,846	£23,028,976	£38,883,481
Expenditure - non-service	£39,659,900	£443,890	£42,566,622	£2,906,722	£42,122,733
Support Services	£27,338,200	£136,274	£27,306,243	-£31,957	£27,169,969
Premises-Related	£22,800,470	£10,338,306	£23,103,135	£302,665	£12,764,829
Transport-Related	£20,243,770	£12,911,654	£25,734,988	£5,491,218	£12,823,334
Capital Financing Costs	£11,517,170	£6,111,188	£10,528,748	-£988,422	£4,417,561
Income <b>Total</b>	<b>-£427,178,980</b>	<b>-£72,669,987</b>	<b>-£443,176,882</b>	<b>-£15,997,902</b>	<b>-£370,506,895</b>
Income	-£427,178,980	-£72,669,987	-£443,176,882	-£15,997,902	-£370,506,895
<b>Total</b>	<b>£261,697,220</b>	<b>£307,677,709</b>	<b>£297,761,717</b>	<b>£36,064,497</b>	<b>-£9,915,992</b>

9.4. In People Directorate, there remains c £176million of spending yet to be finalised in the year and c £147m of income to be confirmed (the majority of income includes non-core grants, such as the Dedicated Schools Grant). Most expenditure is focused on Third Party Spending, which include the cost of care packages. Transfer payments relate to payments made outside a 'commercial' arrangement, such as payments made to health partners.

People Directorate	Budget	YTD Actuals	Projection	Forecast Variance	Projected spending/income October - March
Expenditure <b>Total</b>	<b>£384,239,170</b>	<b>£239,367,104</b>	<b>£415,320,298</b>	<b>£31,081,128</b>	<b>£175,953,194</b>
Third Party Payments	£212,000,490	£137,315,613	£229,680,937	£17,680,447	£92,365,324
Employees	£76,831,910	£43,634,098	£80,266,684	£3,434,774	£36,632,586
Transfer Payments	£55,921,960	£35,738,160	£54,245,387	£-1,676,573	£18,507,226
Transport-Related	£17,889,840	£11,584,988	£23,267,770	£5,377,930	£11,682,782
Support Services	£11,201,450	£78,196	£11,253,515	£52,065	£11,175,319
Supplies & Services	£10,696,010	£10,159,829	£18,435,797	£7,739,787	£8,275,968
Premises-Related	£1,539,820	£809,480	£1,800,309	£260,489	£990,828
Capital Financing Costs	£193,590	£0	£193,590	£0	£193,590
Expenditure - non-service	£-2,035,900	£46,739	£-3,823,690	£-1,787,790	£-3,870,429
Income <b>Total</b>	<b>£-168,645,820</b>	<b>£-36,158,983</b>	<b>£-183,407,834</b>	<b>£-14,762,014</b>	<b>£-147,248,851</b>
Income	£-168,645,820	£-36,158,983	£-183,407,834	£-14,762,014	£-147,248,851
<b>Total</b>	<b>£215,593,350</b>	<b>£203,208,121</b>	<b>£231,912,464</b>	<b>£16,319,115</b>	<b>£28,704,343</b>

9.5. In Place Directorate, there remains c £68million of spending yet to be finalised in the year and c £51m of income to be confirmed. Most income is in the form of fees and charges, currently forecast to underachieve budget targets. Most expenditure is focused on Supplies and Services, which include the cost of waste collection and disposal. This heading also includes unachieved savings. Premises spending is anticipated to be £10m in the remainder of the year, and a further £7.8m is expected to be spent with third party suppliers.

Place Directorate	Budget	YTD Actuals	Projection	Forecast Variance	Projected spending/income October - March
Expenditure <b>Total</b>	<b>£126,525,080</b>	<b>£67,867,790</b>	<b>£136,182,562</b>	<b>£9,657,482</b>	<b>£68,314,771</b>
Supplies & Services	£55,976,540	£31,468,788	£61,005,321	£5,028,781	£29,536,533
Employees	£24,163,260	£15,808,354	£26,336,872	£2,173,612	£10,528,518
Premises-Related	£20,127,940	£9,392,188	£20,059,600	£-68,340	£10,667,412
Third Party Payments	£14,765,120	£9,715,458	£17,548,316	£2,783,196	£7,832,859
Support Services	£8,244,050	£50,596	£8,154,128	£-89,922	£8,103,532
Transport-Related	£1,990,620	£1,020,819	£2,030,092	£39,472	£1,009,273
Capital Financing Costs	£807,000	£0	£805,500	£-1,500	£805,500
Transfer Payments	£232,470	£39,606	£87,146	£-145,324	£47,540
Expenditure - non-service	£218,080	£371,982	£155,586	£-62,494	£-216,396
Income <b>Total</b>	<b>£-75,045,990</b>	<b>£-20,921,426</b>	<b>£-71,765,182</b>	<b>£3,280,808</b>	<b>£-50,843,755</b>
Income	£-75,045,990	£-20,921,426	£-71,765,182	£3,280,808	£-50,843,755
<b>Total</b>	<b>£51,479,090</b>	<b>£46,946,364</b>	<b>£64,417,380</b>	<b>£12,938,290</b>	<b>£17,471,016</b>

9.6. In other areas, transfer payments relates to the disbursement of housing benefit, housing support fund, and council tax support. Non-Service expenditure includes financing and similar costs. Third party payments includes whole-organisation savings which are not yet achieved. Income is predominantly related to non-core grants.

All other areas	Budget	YTD Actuals	Projection	Forecast Variance	Projected spending/income October - March
Expenditure <b>Total</b>	<b>£178,111,950</b>	<b>£73,112,802</b>	<b>£189,435,739</b>	<b>£11,323,789</b>	<b>£116,322,937</b>
Transfer Payments	£50,009,400	£16,267,717	£50,061,400	£52,000	£33,793,683
Employees	£47,591,130	£29,370,962	£45,028,099	£2,563,031	£15,657,137
Expenditure - non-service	£41,477,720	£25,169	£46,234,726	£4,757,006	£46,209,557
Third Party Payments	£12,305,080	£4,875,052	£11,919,175	£385,905	£7,044,122
Capital Financing Costs	£10,516,580	£6,111,188	£9,529,658	£986,922	£3,418,471
Support Services	£7,892,700	£7,482	£7,898,600	£5,900	£7,891,118
Supplies & Services	£6,823,320	£16,012,749	£17,083,728	£10,260,408	£1,070,980
Premises-Related	£1,132,710	£136,637	£1,243,226	£110,516	£1,106,590
Transport-Related	£363,310	£305,846	£437,127	£73,817	£131,280
Income <b>Total</b>	<b>-£183,487,170</b>	<b>-£15,589,578</b>	<b>-£188,003,866</b>	<b>-£4,516,696</b>	<b>-£172,414,288</b>
Income	-£183,487,170	-£15,589,578	-£188,003,866	-£4,516,696	-£172,414,288
<b>Total</b>	<b>-£5,375,220</b>	<b>£57,523,224</b>	<b>£1,431,873</b>	<b>£6,807,093</b>	<b>-£56,091,351</b>

9.7. As at the mid-point of the year, it is possible to compare the spending position with the same point last year. Overall spending is largely consistent year to year with around 8% (1/12) spent each month. Seasonal variations are stabilised by the non-seasonal nature of most contract payments and staff costs. The table below shows the comparison. It shows that with a budget increased by 2.3% and spending increased by 8.5%, net spending is 6.2% higher than available budget growth. Gross spending, rather than net spending, has risen by 10%.

	Year-to-year change at the mid-year point (30 Sept.)
net budget growth (full year)	2.3%
net actual spending change (to Sept)	8.5%
actual income growth (to Sept)	0.0%
actual spending growth (to Sept)	10.0%

## 10. Income

10.1. The revenue budget is funded by £261.7m of income including specific government grants and retained local taxation receipts. Grant values are advised in the settlement before the start of the year and are unchanged. Income through discretionary fees and charges is included in budgets for service area net spending. Appendix 2 provides analysis of the current projection of specific government grant income by directorate, including any new allocations, and highlights the current delivery of income through fees and charges charged in services.

10.2. Income is currently being overachieved in People Directorate by £14m through a combination of grant funding and contributions to costs of care from clients and health. This is offset by a shortfall in Place Directorate of £3.2m primarily through (some unanticipated grant income offset by shortfalls in fees and charges).

## 11. Savings

- 11.1. The summary position on savings delivery as at 30 September is that the Council anticipates delivery of 56% of targeted savings for the year. This is shown in tables 5a and 5b below.
- 11.2. Table 5a shows the analysis of savings targeted in the year based on the origin of the savings. There are three areas of origin. These are:
- New savings approved in the 2024/25 budget (£62.5m). These are to be cashable and recurrent to avoid a savings challenge being carried forward to future years.
  - Demand management initiatives approved in the 2024/25 budget (£6.8m). These represent areas of anticipated demand pressure in social care that could be addressed, thereby reducing care costs in the year. Adopting sustainable approaches to this will help ensure that budget pressures in future years are minimised or reduced.
  - Savings previously approved in the 2023/24 budget and secured in that year on a one-off (not ongoing) basis (£20.7m), and which were therefore required to be delivered in 2024/25. It should be noted that many of these relate to staffing costs – e.g. savings from funded vacant posts, or from staff turnover. These savings were achieved last year though holding posts vacant. The service review process enacted in the current year has provided the necessary ability to review these funded vacant posts and to determine where they can be permanently deleted. Hence, while these savings needed to be ‘re-found’, plans already existed in the majority of cases.

Table 5a - Summary of savings delivery forecast at 30 September, based on origin

Analysis by savings origin	savings target	30 September forecast delivery	30 September forecast delivery
	£m	£m	%
New savings approved for 2024/25 budget	62.5	35.4	57
Demand management initiatives in the 2024/25 budget	6.8	6.8	100
Savings brought forward from 2023/24 where they were met on a one-off basis with plans to secure an ongoing budget reduction in 2024/25	20.7	8.4	41
<b>Total</b>	<b>90.0</b>	<b>50.6</b>	<b>56</b>

- 11.3. Table 5a shows that the anticipated level of delivery is 56% overall as at 30 September. This compares with 81% secured in the last financial year by the end of the year. Work is in hand to continue to improve on the level of delivery. Demand management initiatives have been fully secured as at 30 September (100% delivery is forecast). New savings approved in the budget for the current year indicates forecast delivery of 57%. Savings brought forward show the lowest level of delivery at 41%. This is explained, in part, by the work on workforce resizing so that not all decisions are yet included in the savings projections. Additionally, this area includes several organisation-wide initiatives, which, by their nature, are more challenging to implement. PwC as our transformation partner play a key role in supporting delivery in this area.

Table 5b - Summary of savings delivery forecast at 30 September, based on delivery route

Analysis by delivery route	savings target	30 Sept forecast delivery	30 Sept forecast delivery	Under/(over) delivery
	£m	£m	%	£m
<i>People</i>	25.3	25.3	100	0
<i>Place</i>	22.0	12.9	59	9.1
<i>Resources</i>	4.8	2.8	59	2.0
<i>Health</i>	1.6	1.6	100	0
<i>SMB &amp; Corporate</i>	2.5	0.6	26	1.9
<b>Sub Total: Service-led savings</b>	<b>56.2</b>	<b>43.2</b>	<b>77</b>	<b>13.0</b>
Organisation-Wide savings	33.8	7.3	22	26.5
<b>Total</b>	<b>90.0</b>	<b>50.5</b>	<b>56</b>	<b>39.5</b>

11.4. Table 5b represents the information shown in table 5a, but this time analysing savings delivery by the delivery route. There are two main delivery routes. These are 'service-led' delivery and 'organisation-wide' delivery.

11.5. Service-led savings were proposed by individual service areas as part of the preparation of the 2024/25 budget. Delivery currently ranges from 26% to 100%, with an average level of forecast delivery as at 30 September of 77%.

11.6. Organisation-wide savings relate to whole-organisation transformation and resizing. These initiatives were described in the July 2024 Cabinet report on the Council's New Operating Model. These are more complex to design and implement but the current forecast anticipated delivery at 22% against the £33.8m target. Organisation-wide savings were anticipated as a significant challenge during the business planning process for 2024/25. Engagement with PwC as a transformation partner is part of the response to that challenge, as is the creation of the Office of the Chief Executive (OCE).

11.7. Considering the overall view of delivery as at 30 September indicates the anticipated level of delivery is 56%. This compares with 81% secured in the last financial year by the end of the year. Work is in hand to continue to improve on the level of delivery. Demand management initiatives have been fully secured as at 30 September (100% delivery is forecast).

11.8. The Council is now scrutinising supply-chain spending, including strengthening contract management and developing ways to reduce the carbon footprint of the supply chain. This includes a review of contract management approaches across the Council including areas where additional support may be required. Expenditure requisitions are being scrutinised to test necessity, cost minimisation, and to secure overall spending reductions through the remainder of the year.

## 12. PWC – strategic partner engagement

12.1. The Council has been working with PwC since they were awarded the contract to be the Council's Transformation Partner in March 2023. They successfully supported the Council delivery savings and non-financial benefits during the 2023/24 financial year, and so the arrangement was extended into 2024/25.

12.2. The Council has worked with PwC to refocus their effort on three key areas of delivery for the financial year 2024/25. These are outlined in the table below, which also outlines the contractually agreed and anticipated costs (£6.025m) of PwC involvement and anticipated benefit (£9.2m) that is to be delivered through this activity.

Table 6 – Contractually defined costs and anticipated benefits of engagement with PwC

Theme	Spent to 30 September	Committed to 31 March	Estimated benefit in current financial year	ROI (current year)	Estimated benefit in next financial year	ROI (next year)	Commentary
Customer Management	£0.8m	£2.8m	£0.3m	0.1	£0.3m	0.2	Activity has already delivered improved access to, or automation of, services. Refocus of the priorities have planned faster outcomes to improve the customer experience - faster service delivery, provide 24/7 access, and enhance our view of the customer (better insight).
Resizing and TOM	£1.2m	£1.2m	£7.6m	6.3	£8.6m	7.1	Activity in this area has now been completed with an outline TOM prepared for implementation. Service reviews have enabled a programme of resizing to reduce establishment costs, and two 'construct' workstreams have provided refreshed processes that will, when implemented, improve efficiencies and enhance the outcomes from contracts.
Third party spending	£0.6m	£0.8m	£0.2m	0.25	£0.3m	0.4	Spend analysis has provided areas of focus to undertake a review of contracts to reduce costs or improve outcomes, with support now being given to drive forward these reviews. Monitoring has been implemented to reduce spend.
<b>Subtotal</b>	<b>£1.1m</b>	<b>£4.8m</b>	<b>£8.1m</b>	<b>1.7</b>	<b>£9.2m</b>	<b>1.9</b>	
<i>Potential additional fees based on performance</i>		<i>£1.225m</i>					
<b>Total</b>		<b>£6.025m</b>					<i>Estimated ROI is not yet included for the potential total – estimated benefits and potential additional costs are not yet known with confidence.</i>

### 13. Reserves

13.1. The 2023/24 year ended with a General Fund Balance of £8.237m, which was brought forward into the new year. The 2024/25 budget included a contribution of £30.583m to the General Fund balance. The total on hand in this reserve at the beginning of the year was therefore £38.820m. This was considered a safe level given the profile of financial risks. As the year is progressing, maintenance of our level of GFB appears impossible and it is of great concern that the Council

appears to have minimal resilience against any unforeseen variances. There is some comfort that this position is slowly improving each month. This position is under constant review with the aim to forecast a higher retention of GFB before year end. This is shown in the table below, and in Appendix 6.

**Table 3: General Fund Balance**

General Fund	£'000
Balance as at 1 <sup>st</sup> April 2024	8,237
Budgeted Contribution in 2024/25	30,583
<b>Budgeted General Fund Balance as at 31<sup>st</sup> March</b>	<b>38,820</b>
2024/25 estimated spending above budget (as projected at Q2) – Post Service Review	(35,095)
<b>Balance as at 31 March 2025</b>	<b>3,725</b>

13.2. The current projected overspend would deplete the majority of the General Fund Reserve and so it is vital that the current projected level of spending is significantly reduced.

## 14. Capital

14.1. The current capital programme and actual spend is detailed in Table 4 below, including updated projections on financing of the programme. Further detail is provided in Appendix 7.

**Table 4: Projected Capital Programme Outturn**

Directorate	2024/25 Revised Capital Programme (£'000)	2024/25 Actual Spend (£'000)	2024/25 Actual YTD spend as % of Budgeted YTD Spend	2025/26 Capital Programme (£'000)	2026/27 Capital Programme (£'000)
Health & Wellbeing	1,569	1,323	84.30%	471	-
People	10,615	2,332	21.97%	10,872	5,750
Place	86,849	27,324	31.46%	101,356	37,735
Resources	100	130	130.21%	-	-
<b>Total General Fund</b>	<b>99,133</b>	<b>31,109</b>	<b>31.38%</b>	<b>112,699</b>	<b>43,485</b>
Housing Revenue Account	37,723	7,862	20.84%	13,822	9,000
<b>Total Capital Programme</b>	<b>136,856</b>	<b>38,972</b>	<b>28.48%</b>	<b>126,521</b>	<b>52,485</b>
<b>Financed By:</b>					
Borrowing	(34,135)			(22,630)	(11,034)
Government Grants	(68,407)			(80,418)	(31,505)
Other Grants	(1,023)			(72)	-
Other Contributions	(10,622)			(7,770)	(500)
Revenue Contributions to Capital	(697)			(747)	(347)
Major Repairs Allowance	(10,041)			(5,000)	(5,000)
Capital Receipts	(11,931)			(9,883)	(4,100)
<b>Total Financing</b>	<b>(136,856)</b>			<b>(126,521)</b>	<b>(52,485)</b>

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

- 14.2. The financing of the current capital programme assumes a level of capital receipts being realised. Capital receipts are a particular class of capital funding which can be used to support revenue costs of transformation, where the link to genuinely transformational changes lasting several years can be demonstrated. Appendix 8 summarises the current capital receipt position and highlights both opportunities to secure receipts and the risk of increased revenue costs in future years.
- 14.3. The capital receipt projections for 2024-25 include a significant requirement of £27.948m to fund the Council's transformational activities. This projection includes initial estimates of £13.425m for the Voluntary Redundancy Programme, £7.448m for transformation projects and £7.075m for the Council's Strategic Transformation Partner. The capital receipts requirement of actual voluntary redundancies is being updated on a monthly basis as redundancies actually occur. All of these capital receipts requirement estimates will be refined on an ongoing basis as further details on actual costs are determined.

## 15. Housing Revenue Account

- 15.1. At Quarter 2 (Period 6), the HRA is projecting a minor overspend of £0.5m (4.5% of gross budget) due to estimated increase in revenue costs to finance a planned increase in the capital budget. This will be carefully monitored during the remainder of the year and action taken to reduce this, however any residual overspend will be financed through the HRA reserve.

## 16. Dedicated Schools Grant

- 16.1. There was a cumulative DSG deficit of £2.590m carried forward from the 2023/24 financial year. This in year-deficit was driven by an against High Needs Block (HNB) budgets of £4.015m.
- 16.2. In 2024/25, HNB pressure is continuing. This is driving a forecast overspend of £2.788m. This is due to a significant increase in Independent Special School placements (forecast spend over budget of £1.650m).
- 16.3. In addition to expenditure on Independent Special School placements, there has been an exercise in 2024-25 to review the use of banding levels being applied in one of the Council's Special Schools. This has resulted in several children being placed on higher banding levels than previously determined, as well as threshold for banding levels also increasing. The increase in funding has placed additional pressure on the DSG High Needs Block of approx. £1.406m.
- 16.4. The Council has also continued to see a sharp overall increase in expenditure on SEN Support Services.
- 16.5. A High Needs Block DSG 5 year forecast will be presented to Schools Forum later in the year with potential mitigations set out against the High Need Block DSG to bring the DSG financial position back into balance. There remains a risk that the DSG deficit could, however, increase.
- 16.6. At present the Government has applied a statutory override to DSG deficits which means that the deficit is not required to be funded by the General Fund (as would usually be the case). The override is due to expire in March 2026. Good



governance requires that all efforts must be made to constrain any overspend in the DSG, but the need to fund it from the General Fund would not arise until March 2026 under current arrangements. Work has been announced by the new Government to review the provisions for SEND and EHCP pupils within schools funding. Officers are working to mitigate the position as much as possible and also watching the emerging national policy picture.

## 17. Financial management

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

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

Financial Strategy 2024/25 – 2028/29  
Financial Monitoring Quarter 1 2024/25  
Financial Rules

**Local Member:**

All

**Appendices [Please list the titles of Appendices]**

Appendix 1A – 2024/25 Projected Revenue Outturn by Service  
Appendix 1B – 2024/25 Detailed Projected Revenue Outturn by Service  
Appendix 1C – 2024/25 Projected Revenue Outturn by Portfolio Holder  
Appendix 2 – 2024/25 Income Projections  
Appendix 3 – Delivery of 2024/25 Savings Proposals  
Appendix 4 – Reconciliation of Monitoring Projections to Savings Delivery  
Appendix 5 – Amendments to Original Budget 2024/25  
Appendix 6 – Reserves 2024/25  
Appendix 7 – Projected Capital Programme Outturn 2024/25 – 2026/27  
Appendix 8 – Projected Capital Receipts  
Appendix 9 – Financial Management Indicators

**APPENDIX 1A****2024/25 PROJECTED REVENUE OUTTURN BY SERVICE****ANALYSIS OF MOVEMENT FROM AUGUST FORECAST (P5) TO SEPTEMBER FORECAST (P6/Q2)**

Directorate / Service	Forecast Outturn Variance at P5 £'000	Controllable Budget at Q2 £'000	Forecast Outturn at Q2 £'000	Forecast Outturn Variance at Q2 £'000	Movement from P5 to Q2 £'000	Reasons for Movement
<b>Health &amp; Wellbeing</b>						
Integration & Healthy People – Non-Ringfenced	(319)	6,170	5,873	(192)	21	NA
Integration & Healthy People - Ringfenced	0	0	0	0	0	NA
<b>Health &amp; Wellbeing Total</b>	<b>(319)</b>	<b>6,170</b>	<b>5,873</b>	<b>(192)</b>	<b>21</b>	
<b>People</b>						
Adult Social Care	4,950	128,551	132,441	3,890	(1,060)	<ul style="list-style-type: none"> <li>• (£0.063m) Four Rivers reduction in forecasted equipment spend</li> <li>• (£0.242m) Increase in CHC and Client Contributions</li> <li>• (-£0.323m) allocation of grant funding to implement changes to Supported Living Reform</li> <li>• (-£0.430m) Overachieved savings forecast</li> </ul>
Children's & Families	6,617	62,823	69,496	6,674	56	NA
Education & Achievement	1,958	25,469	27,356	1,887	(71)	NA
Shire Services	(4)	0	0	0	4	NA
Directorate Management	3,774	(1,250)	2,619	3,869	95	NA
<b>People Total</b>	<b>17,295</b>	<b>215,593</b>	<b>231,913</b>	<b>16,319</b>	<b>(975)</b>	
<b>Place</b>						
Growth & Infrastructure	7,941	11,136	20,346	9,210	1,268	<ul style="list-style-type: none"> <li>• £0.510m Corporate Landlord unrealised income for admin buildings</li> <li>• £0.351m Corporate Landlord Rates charges backdated.</li> <li>• £0.303m shortfall on Parking income target previously reported due to delayed implementation of fee increase.</li> </ul>
Homes and Communities	3,773	40,001	43,571	3,570	(203)	<ul style="list-style-type: none"> <li>• £0.500m reduction in Waste PFI contract savings (not likely in 24-25)</li> <li>• £0.340m increase in Corporate MTFS savings targets yet to be realised.</li> <li>• (£0.500m) increase in Green waste Income (take up 70%)</li> <li>• (£0.295m) reduction in Third Party Spend</li> <li>• (£0.107m) one off additional income projected for Housing</li> </ul>
Directorate Management	184	342	501	159	(25)	NA
<b>Place Total</b>	<b>11,898</b>	<b>51,479</b>	<b>64,417</b>	<b>12,938</b>	<b>1,040</b>	

Directorate / Service	Forecast Outturn Variance at P5 £'000	Controllable Budget at Q2 £'000	Forecast Outturn at Q2 £'000	Forecast Outturn Variance at Q2 £'000	Movement from P5 to Q2 £'000	Reasons for Movement
<b>Resources</b>						
Finance and Technology	1,784	3,007	4,945	1,477	(87)	NA
Workforce and Improvement	960	121	1,030	908	(52)	NA
Legal and Governance	518	964	1,316	352	(166)	<ul style="list-style-type: none"> <li>• (£0.012m) reduced costs across supplies and Services across L&amp;G.</li> <li>• (£0.022m) increase income expected from Registrars</li> <li>• (£0.027m) reduction in forecast costs relating to election services and canvass costs.</li> <li>• (£0.033m) reduction in expected forecast relating to legal childcare costs.</li> <li>• (£0.077m) reduced expenditure within Registrars relating to IT Licences and Repair and Maintenance costs in year.</li> </ul>
Pensions	0	8	8	0	0	NA
Directorate Management	1,110	10	1,120	1,110	0	NA.
<b>Resources Total</b>	<b>4,372</b>	<b>4,111</b>	<b>8,178</b>	<b>4,068</b>	<b>(304)</b>	
<b>Strategic Management Board</b>						
Chief Executive and PAs	133	20	144	124	(9)	NA
Programme Management	148	165	313	148	0	NA
Communications and Customer Services	368	242	584	341	(27)	NA
<b>Strategic Management Board Total</b>	<b>649</b>	<b>427</b>	<b>1,040</b>	<b>613</b>	<b>(36)</b>	
<b>Corporate Budgets</b>	<b>4,336</b>	<b>(16,083)</b>	<b>(13,659)</b>	<b>2,423</b>	<b>(1,913)</b>	<ul style="list-style-type: none"> <li>• £0.249m reduction in forecast interest receivable/payable</li> <li>• (£0.319m) release of Development Fund budget</li> <li>• (£0.380m) release of I2S Reserve</li> <li>• (£0.565m) increased income from profit share WME estimates</li> <li>• (£1.376m) pay award agreement less than budgeted</li> </ul>
<b>Council Total</b>	<b>38,231</b>	<b>261,697</b>	<b>297,761</b>	<b>36,064</b>	<b>(2,167)</b>	
<b>Estimated benefit from Resizing</b>	<b>(969)</b>	<b>0</b>	<b>(969)</b>	<b>(969)</b>	<b>0</b>	
<b>Net Expenditure including benefit from resizing</b>	<b>37,262</b>	<b>261,697</b>	<b>296,792</b>	<b>35,095</b>	<b>(2,167)</b>	

**APPENDIX 1B****DETAIL BY SERVICE AREA****ANALYSIS OF UNDERLYING FORECAST VARIANCE AT SEPTEMBER (P6/Q2)**

Directorate / Service	Revised Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
<b>Health &amp; Wellbeing</b>	6,170	5,873	(297)
<b>People</b>	215,593	231,913	16,319
<b>Place</b>	51,479	64,417	12,938
<b>Resources</b>	4,111	8,178	4,068
<b>Strategic Management Board</b>	427	1,040	613
<b>Corporate Budgets</b>	(16,083)	(13,659)	2,423
<b>Total</b>	<b>261,697</b>	<b>297,762</b>	<b>36,064</b>
<b>Anticipated impact of Service reviews</b>	0	(969)	(969)
	<b>261,697</b>	<b>296,793</b>	<b>35,095</b>

**Directorate Summary**

Directorate			Budget	Outturn	Variance	RAGY
<b>A1R009</b>	<b>CORPORATE BUDGETS</b>		<b>(16,082,890)</b>	<b>(13,659,406)</b>	<b>2,423,484</b>	<b>R</b>
<b>A1R009: Corporate Budgets</b>	<b>Portfolio Holder</b>		<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>	<b>RAGY</b>
		<b>Finance, Corporate Resources and Communities</b>				
<b>RSA057</b>	<b>Corporate Budgets</b>		<b>(16,082,890)</b>	<b>(13,659,406)</b>	<b>2,423,484</b>	<b>R</b>
<ul style="list-style-type: none"> <li>• £5.290m Corporate MTFs savings targets yet to be realised</li> <li>• £0.249m reduction in forecast interest receivable/payable</li> <li>• £0.081m projected spend above budget in relation to Audit Commission fees</li> <li>• Reduction in LOBO interest payable due in year</li> <li>• (£0.319m) release of Development Fund budget</li> <li>• (£0.380m) release of I2S Reserve</li> <li>• (£0.565m) increased income from profit share WME estimates</li> <li>• (£1.376m) pay award agreement less than budgeted</li> </ul>						
<b>Total A1R009: Corporate Budgets</b>			<b>(16,082,890)</b>	<b>(13,659,406)</b>	<b>2,423,484</b>	

Directorate			Budget	Outturn	Variance	RAGY
<b>A1R011</b>	<b>HEALTH &amp; WELLBEING</b>		<b>6,170,010</b>	<b>5,872,713</b>	<b>(297,297)</b>	<b>Y</b>
<b>A1R011: Health and Wellbeing</b>	<b>Portfolio Holder</b>		<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>	<b>RAGY</b>
		<b>Planning and Regulatory Services</b>				
<b>RSA007</b>	<b>Regulatory Services</b>		<b>1,364,380</b>	<b>1,334,647</b>	<b>(29,732)</b>	<b>Y</b>
<ul style="list-style-type: none"> <li>• Minor variance to budget at P6</li> </ul>						
		<b>Planning and Regulatory Services</b>				
<b>RSA008</b>	<b>Business and Consumer Protection</b>		<b>1,913,800</b>	<b>1,722,258</b>	<b>(191,542)</b>	<b>Y</b>
<ul style="list-style-type: none"> <li>• (£0.192m) spend under budget mostly due to VR posts contributing to corporate saving, vacant posts (income generating agreed to recruit into) and restructure</li> </ul>						

A1R011: Health and Wellbeing		Portfolio Holder	Budget	Outturn	Variance	RAGY
RSA011	Ring Fenced Public Health Services	Adult Social Care and Public Health	0	(0)	(0)	Y
• No variance to budget at P6						
RSA025	Planning Services	Planning and Regulatory Services	(88,710)	(262,857)	(174,147)	Y
• Additional net income forecast						
RSA035	Libraries	Culture and Digital	2,943,150	2,884,950	(58,199)	Y
• Minor variance to budget at P6						
RSA044	Business Improvement: Data, Analysis and Intelligence	Culture and Digital	37,390	193,714	156,324	R
<ul style="list-style-type: none"> <li>£0.261m overspend in transformation work due to funding reduced to 80% of allocated posts rather than 100% as budgeted</li> <li>£0.126m MTFs savings remain unachieved.</li> <li>(£0.203m) Savings through VR have reduced this overspend.</li> </ul>						
<b>Total A1R011: Health and Wellbeing</b>			<b>6,170,010</b>	<b>5,872,713</b>	<b>(297,297)</b>	

Directorate			Budget	Outturn	Variance	RAGY
A1R010	PEOPLE		215,593,350	231,912,535	16,319,185	R
A1R010: People		Portfolio Holder	Budget	Outturn	Variance	RAGY
RSA001	Adult Social Care Business Support and Development	Adult Social Care and Public Health	(2,328,850)	(1,640,564)	688,285	R
<ul style="list-style-type: none"> <li>£1.121m Corporate MTFs savings target yet to be achieved</li> <li>£0.144m Enable projected under achievement of income.</li> <li>(£0.242m) Grant allocation Supported Living Reforms Implementation.</li> <li>(£0.334m) Capitalisation of staff supporting transformation projects.</li> </ul>						
RSA002	Adult Social Care Management	Adult Social Care and Public Health	990,070	661,809	(328,260)	Y
• (£0.322m) Capitalisation of staff supporting transformation projects.						
RSA003	Adult Social Care Provider Services	Adult Social Care and Public Health	4,180,950	4,830,366	649,416	R
<ul style="list-style-type: none"> <li>£0.797m Corporate MTFs Savings yet to be realised.</li> <li>£0.051m External providers forecast spend above.</li> <li>(£0.094m) Four Rivers forecast Increase in Income above budget.</li> <li>(£0.106m) Reduction in salaries due to vacant posts.</li> <li>(£0.117m) forecast spend over budget in Disabled Children's Team relating to a combination of Direct Payments (£0.063m) and prevention and support payments (£0.055m) due to increase in demand</li> </ul>						
RSA005	Adult Social Care Operations	Adult Social Care and Public Health	125,709,140	128,589,773	2,880,633	R
<ul style="list-style-type: none"> <li>£3.276m Corporate MTFs Savings yet to be realised.</li> <li>£0.105m Forecast spend over budget on Emergency Duty Team.</li> <li>£0.052m Forecast spend over budget Supported Living Property Costs.</li> <li>(£0.069m) OT Equipment purchase through TOM project funding.</li> <li>(£0.156m) Purchasing - Increase in CHC and Client contributions</li> </ul>						
<b>A1R010: People</b>		<b>Portfolio Holder</b>	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>	<b>RAGY</b>

<b>RSA017</b>	<b>Shire Services</b>	<b>Housing and Assets</b>	<b>0</b>	<b>(55)</b>	<b>(55)</b>	<b>Y</b>
Minor Variance to budget as at Period 6						
<b>RSA018</b>	<b>Children's Social Care and Safeguarding</b>	<b>Children &amp; Education</b>	<b>21,014,200</b>	<b>23,577,376</b>	<b>2,563,176</b>	<b>R</b>
<ul style="list-style-type: none"> <li>• £0.791m savings target unachievable relates to efficiency savings targets across the whole of Children's Social Care and more time is required to produce a delivery plan.</li> <li>• £0.695m forecast spend over budget on staffing across the Social Work Teams, largely relating to Agency Social Workers.</li> <li>• £0.567m forecast spend over budget relates to other costs such as transport recharges and taxi costs, childcare payments, parenting assessments and interpreting fees.</li> <li>• £0.270m "low value efficiencies" savings target is currently forecast to be unachieved.</li> <li>• £0.117m forecast spend over budget in Disabled Children's Team relating to a combination of Direct Payments (£0.063m) and prevention and support payments (£0.055m) due to increase in demand.</li> </ul>						
<b>RSA019</b>	<b>Children's Early Help &amp; Placements</b>	<b>Children &amp; Education</b>	<b>41,808,600</b>	<b>45,918,940</b>	<b>4,110,340</b>	<b>R</b>
<ul style="list-style-type: none"> <li>• £3.639m forecast spend over budget on External Residential Placements. There have been several new external residential spot placements in recent months.</li> <li>• £2.533m forecast spend over budget on Fostering. The majority relates to External Fostering (£2.125m), partly explained by a portion of £1m savings target which was not achieved on an ongoing basis in 2023/24. The remaining £0.408m relates to Internal Fostering fees and allowances.</li> <li>• £0.342m new savings proposed in 2024/25 are currently forecast as unachieved. These are organisational savings relating to rightsizing the organisation, third party spend and efficiency savings across the whole of Early Help. More time is required to produce a delivery plan to set out how these organisational wide savings will be achieved.</li> <li>• £0.743m forecast spend under budget against Early Help Family Hubs staffing and Supporting Families Grant. The service implemented a new staffing structure from 1st June so staff turnover has been high and several number of posts have remained vacant as the service has restructured</li> <li>• There is a credit of £1.491m relating to the capitalisation of posts as a one-off working on transformational projects (Stepping Stones Project).</li> </ul> <p>Additional spending over budget of £0.250m is shown against legal services for the court process required for some safeguarding actions. This is controlled separately and is therefore shown elsewhere.</p>						
<b>RSA021</b>	<b>Learning and Skills</b>	<b>Children &amp; Education</b>	<b>18,266,480</b>	<b>21,187,689</b>	<b>2,921,209</b>	<b>R</b>
<ul style="list-style-type: none"> <li>• £3.159m forecast spend over budget against Home to School Transport. £1.474m of this relates to SEND Transport where there has been a significant increase in the number of children with EHC Plans requiring transport. The remaining £1.684m relates to mainstream transport and the Children's transport Fleet.</li> <li>• There is a credit of £0.058m relating to the capitalisation of a post as a one-off working on transformational projects.</li> <li>• There are £0.180m of one-off efficiencies across both staffing and non-staffing budgets within Learning &amp; Skills Business Support.</li> </ul>						
<b>RSA070</b>	<b>People Directorate Management</b>	<b>Adult Social Care and Public Health</b>	<b>(1,250,160)</b>	<b>2,618,986</b>	<b>3,869,146</b>	<b>R</b>
<ul style="list-style-type: none"> <li>• £3.869m relates largely to PWC efficiency savings delivery</li> </ul>						
<b>RSA075</b>	<b>Public Transport</b>	<b>Highways</b>	<b>7,202,920</b>	<b>6,168,212</b>	<b>(1,034,707)</b>	<b>Y</b>
<ul style="list-style-type: none"> <li>• (£0.750m) Release of DfT Transport Grant</li> <li>• (£0.259m) Concessionary Fares change in reimbursement model</li> </ul>						
<b>Total A1R010: People</b>			<b>215,593,350</b>	<b>231,912,535</b>	<b>16,319,185</b>	

Directorate			Budget	Outturn	Variance	RAGY
<b>A1R003</b>	<b>PLACE</b>		<b>51,479,090</b>	<b>64,417,380</b>	<b>12,938,290</b>	<b>R</b>
<b>A1R003: Place</b>		<b>Portfolio Holder</b>	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>	<b>RAGY</b>
<b>RSA004</b>	<b>Housing Services</b>	<b>Housing and Assets</b>	<b>3,924,300</b>	<b>3,260,708</b>	<b>(663,591)</b>	<b>Y</b>
<ul style="list-style-type: none"> <li>• £0.330m variance driven by activity higher than provided for in the budget for Temporary Accommodation.</li> <li>• (£0.255m) additional one-off income projected.</li> <li>• (£0.338m) savings in salaries due to Voluntary Redundancy (VR) &amp; vacancies.</li> <li>• (£0.107m) savings on contracts.</li> </ul>						
<b>RSA006</b>	<b>Bereavement Services</b>	<b>Planning and Regulatory Services</b>	<b>(270,370)</b>	<b>(258,320)</b>	<b>12,049</b>	<b>R</b>
• Minor variance to budget at P6						
<b>RSA012</b>	<b>Assistant Director Commercial Services</b>	<b>Housing and Assets</b>	<b>(4,653,450)</b>	<b>(414,087)</b>	<b>4,239,363</b>	<b>R</b>
• Corporate MTFS targets yet to be realised						
<b>RSA013</b>	<b>Corporate Landlord, Property and Development</b>	<b>Housing and Assets</b>	<b>3,639,480</b>	<b>5,248,723</b>	<b>1,609,243</b>	<b>R</b>
<ul style="list-style-type: none"> <li>• £0.590m Shortfall in Student Accommodation income partially offset by savings in Housing due to change of use for temporary accommodation</li> <li>• £0.660m shortfall in Income across admin buildings</li> <li>• £0.231m backdated rates charges</li> <li>• £0.325m rationalisation of assets saving yet to be identified</li> </ul>						
<b>RSA023</b>	<b>Director of Place</b>	<b>Housing and Assets</b>	<b>341,910</b>	<b>501,027</b>	<b>159,117</b>	<b>R</b>
Corporate MTFS targets yet to be realised						
<b>RSA024</b>	<b>Assistant Director Economy &amp; Place</b>	<b>Growth and Regeneration</b>	<b>(708,920)</b>	<b>215,954</b>	<b>924,874</b>	<b>R</b>
• Corporate MTFS targets yet to be realised						
<b>RSA026</b>	<b>Economic Growth</b>	<b>Growth and Regeneration</b>	<b>1,211,470</b>	<b>1,212,440</b>	<b>970</b>	<b>R</b>
• Minor variance to budget at P6						
<b>RSA027</b>	<b>Broadband</b>	<b>Culture and Digital</b>	<b>151,680</b>	<b>81,172</b>	<b>(70,507)</b>	<b>Y</b>
• Minor variance to budget at P6						
<b>RSA028</b>	<b>Policy and Environment</b>	<b>Planning and Regulatory Services</b>	<b>1,808,890</b>	<b>1,835,784</b>	<b>26,894</b>	<b>R</b>
• Minor variance to budget at P6						
<b>RSA030</b>	<b>Culture, Leisure &amp; Tourism Development</b>	<b>Culture and Digital</b>	<b>14,760</b>	<b>11,379</b>	<b>(3,380)</b>	<b>Y</b>
• Minor variance to budget at P6						
<b>RSA031</b>	<b>Highways &amp; Transport</b>	<b>Highways</b>	<b>10,166,860</b>	<b>10,494,678</b>	<b>327,818</b>	<b>R</b>
<ul style="list-style-type: none"> <li>• £1.039m Parking staffing/agency costs and delays in implementing revised charging strategy</li> <li>• (£0.703m) Streetworks additional net income</li> </ul>						
<b>RSA032</b>	<b>Shropshire Hills National Landscape</b>	<b>Culture and Digital</b>	<b>35,020</b>	<b>34,950</b>	<b>(70)</b>	<b>Y</b>
• Minor variance to budget at P6						
<b>RSA033</b>	<b>Outdoor Partnerships</b>	<b>Culture and Digital</b>	<b>1,155,090</b>	<b>1,070,091</b>	<b>(84,998)</b>	<b>Y</b>



• Minor variance to budget at P6						
A1R003: Place		Portfolio Holder	Budget	Outturn	Variance	RAGY
RSA034	Leisure	Culture and Digital	1,991,540	2,083,371	91,831	R
• Minor variance to budget at P6						
RSA036	Museums and Archives	Culture and Digital	1,131,130	925,704	(205,425)	Y
• (£0.205m) spend below budget largely due to Invest to Save repayment (-£0.164m) being delayed to 25/26, other variances from vacant post and posts filled part way through year						
RSA037	Theatre Services	Culture and Digital	45,500	(242,428)	(287,928)	Y
• Additional net income						
RSA038	Waste Management	Deputy Leader, Climate Change, Environment and Transport	34,471,390	36,271,966	1,800,576	R
• £1.750m shortfall on Green Waste Income based on revised implementation date and take up						
• £2.000m shortfall on Waste PFI Contract based on revised implementation date						
• £0.210m shortfall on savings from Household Recycling centres based on delayed implementation dates.						
• (£2.317m) saving on reduction of inflationary increase against the contract						
RSA058	Assistant Director Highways and Transport	Highways	(2,068,820)	(139,198)	1,929,621	R
• Corporate MTFS targets yet to be realised						
RSA059	Commercial Services Business Development	Housing and Assets	(46,300)	10,712	57,012	R
• Minor variance to budget at P6						
RSA060	Head of Culture, Leisure & Tourism	Culture and Digital	178,070	194,773	16,703	R
• Minor variance to budget at P6						
RSA062	Climate Change	Deputy Leader, Climate Change, Environment and Transport	(210,670)	227,986	438,656	R
• £0.433m due to delayed implementation of Pyrolysis plant and Maesbury Solar farm						
RSA063	Highway Policy & Strategic Infrastructure	Deputy Leader, Climate Change, Environment and Transport	1,635,280	1,799,597	164,317	R
• Grounds maintenance contract still to be reviewed, offset by other contract savings						
RSA064	Assistant Director Homes and Communities	Housing and Assets	(2,528,130)	(102,058)	2,426,071	R
Corporate MTFS targets yet to be realised						
RSA065	Housing Development and HRA	Housing and Assets	63,380	92,450	29,070	R
Minor Variance to budget as at Period 6						
<b>Total A1R003: Place</b>			<b>51,479,090</b>	<b>64,417,380</b>	<b>12,938,290</b>	

Directorate			Budget	Outturn	Variance	RAGY
<b>A1R012</b>	<b>RESOURCES</b>		<b>4,110,600</b>	<b>8,178,309</b>	<b>4,067,709</b>	<b>R</b>
<b>A1R012: Resources</b>		<b>Portfolio Holder</b>	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>	<b>RAGY</b>
<b>RSA009</b>	<b>Registrars and Coroners</b>	<b>Planning and Regulatory Services</b>	<b>460,480</b>	<b>239,931</b>	<b>(220,548)</b>	<b>Y</b>
• (£0.221m) spend below budget attributed to (£0.460m) additional income from bookings, offset by increased employee costs required to deal with extra bookings						
<b>RSA042</b>	<b>Automation and Technology</b>	<b>Culture and Digital</b>	<b>237,980</b>	<b>(523,862)</b>	<b>(761,842)</b>	<b>Y</b>
<ul style="list-style-type: none"> <li>• (£0.040m) ICT Contracts confirmed as cancelled in year</li> <li>• (£0.163m) delayed Invest to Save repayment for ICT schemes</li> <li>• (£0.553m) additional savings related to vacancy management and staff capitalisation for Transformation</li> </ul>						
<b>RSA045</b>	<b>Human Resources and Organisational Development</b>	<b>Finance, Corporate Resources and Communities</b>	<b>64,590</b>	<b>866,306</b>	<b>801,716</b>	<b>R</b>
<ul style="list-style-type: none"> <li>• £1.032m savings relating to right sizing the organisation, third party spend, Target Operating Model (TOM) activity and income generation.</li> <li>• £0.120m income generation shortfall across Service Level Agreement contracts</li> <li>• (£0.338m) savings achieved from VR programme and vacancy management</li> </ul>						
<b>RSA047</b>	<b>Finance</b>	<b>Finance, Corporate Resources and Communities</b>	<b>2,257,170</b>	<b>4,338,820</b>	<b>2,081,650</b>	<b>R</b>
<ul style="list-style-type: none"> <li>• £1.847m MTFS savings yet to be realised</li> <li>• £0.108m shortfall across income generation and recovery of costs</li> <li>• (£0.221m) additional savings achieved across vacancy management on a one-off basis</li> </ul>						
<b>RSA050</b>	<b>Pensions</b>	<b>Finance, Corporate Resources and Communities</b>	<b>8,280</b>	<b>8,280</b>	<b>0</b>	<b>R</b>
• No variance to budget at Period 6						
<b>RSA051</b>	<b>Commissioning Development and Procurement</b>	<b>Finance, Corporate Resources and Communities</b>	<b>(19,900)</b>	<b>142,258</b>	<b>162,158</b>	<b>R</b>
• £0.154m reduced income from rebate due from previous supplier to transfer to new provider of agency workers which should deliver wider organisational savings						
<b>RSA052</b>	<b>Risk Management</b>	<b>Finance, Corporate Resources and Communities</b>	<b>(28,230)</b>	<b>(28,230)</b>	<b>0</b>	<b>R</b>
• No variance to budget at Period 6						
<b>RSA053</b>	<b>Democratic Services</b>	<b>Finance, Corporate Resources and Communities</b>	<b>(9,450)</b>	<b>(65,324)</b>	<b>(55,874)</b>	<b>Y</b>
• Minor variance to budget at Period 6						
<b>RSA054</b>	<b>Elections</b>	<b>Finance, Corporate Resources and Communities</b>	<b>597,830</b>	<b>572,202</b>	<b>(25,627)</b>	<b>Y</b>
• Minor variance to budget at Period 6						

<b>RSA055</b>	<b>Legal Services</b>	<b>Finance, Corporate Resources and Communities</b>	<b>(34,650)</b>	<b>657,177</b>	<b>691,827</b>	<b>R</b>
<ul style="list-style-type: none"> <li>• £0.687m MTFS savings yet to be realised</li> <li>• £0.250m projected spend above budget in relation to legal child care costs, this spend is demand driven and may increase before the year end. This cost reflects the forecast spend over budget in children's services.</li> <li>• (£0.294m) savings achieved from Voluntary Redundancy programme and vacancy management</li> </ul>						
<b>RSA066</b>	<b>Policy and Governance</b>	<b>Finance, Corporate Resources and Communities</b>	<b>(28,880)</b>	<b>(198,309)</b>	<b>(169,429)</b>	<b>Y</b>
<ul style="list-style-type: none"> <li>• £0.067m MTFS savings yet to be realised</li> <li>• (£0.172m) savings achieved from vacancy management</li> </ul>						
<b>RSA071</b>	<b>Resources Management Team</b>	<b>Finance, Corporate Resources and Communities</b>	<b>10,220</b>	<b>1,119,927</b>	<b>1,109,707</b>	<b>R</b>
<ul style="list-style-type: none"> <li>• £1.112m MTFS savings yet to be realised relating to the Customer Experience Programme which will be across Shropshire Council</li> </ul>						
<b>RSA072</b>	<b>Housing Benefits</b>	<b>Finance, Corporate Resources and Communities</b>	<b>511,630</b>	<b>889,630</b>	<b>378,000</b>	<b>R</b>
<ul style="list-style-type: none"> <li>• £0.378m MTFS savings yet to be realised in relation to Housing Benefits Subsidy loss in relation to B&amp;B and Temporary accommodation</li> </ul>						
<b>RSA073</b>	<b>Scrutiny</b>	<b>Finance, Corporate Resources and Communities</b>	<b>85,060</b>	<b>191,568</b>	<b>106,508</b>	<b>R</b>
<ul style="list-style-type: none"> <li>• £0.100m MTFS savings yet to be identified</li> </ul>						
<b>RSA074</b>	<b>Feedback and Insights</b>	<b>Finance, Corporate Resources and Communities</b>	<b>(1,530)</b>	<b>(32,067)</b>	<b>(30,537)</b>	<b>Y</b>
<ul style="list-style-type: none"> <li>• Minor variance to budget at Period 6</li> </ul>						
<b>Total A1R012: Resources</b>			<b>4,110,600</b>	<b>8,178,309</b>	<b>4,067,709</b>	

<b>Directorate</b>			<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>	<b>RAGY</b>
<b>A1R008</b>	<b>STRATEGIC MANAGEMENT BOARD</b>		<b>427,060</b>	<b>1,040,185</b>	<b>613,125</b>	<b>R</b>
<b>A1R008: Strategic Management Board</b>	<b>Portfolio Holder</b>		<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>	<b>RAGY</b>
<b>RSA043</b>	<b>Communications</b>	<b>Leader, Policy and Strategy, Improvement and Communications</b>	<b>30,420</b>	<b>262,146</b>	<b>231,726</b>	<b>R</b>
<ul style="list-style-type: none"> <li>• £0.181m MTFS savings yet to realised</li> <li>• £0.070m Reduced recharge income from services areas confirmed to support additional capacity and reduced capitalisation of staff.</li> </ul>						
<b>RSA056</b>	<b>Chief Executive &amp; PAs</b>	<b>Leader, Policy and Strategy, Improvement and Communications</b>	<b>19,990</b>	<b>143,718</b>	<b>123,728</b>	<b>R</b>
<ul style="list-style-type: none"> <li>• £0.166m MTFS savings yet to be realised</li> <li>• (£0.042m) savings achieved from voluntary redundancy programme and reductions across supplies and services expenditure</li> </ul>						

A1R008: Strategic Management Board		Portfolio Holder	Budget	Outturn	Variance	RAGY
RSA067	Programme Management	Leader, Policy and Strategy, Improvement and Communications	164,660	312,755	148,095	R
<ul style="list-style-type: none"> <li>• £0.148m spend relating to Transformation that is not able to be capitalised</li> </ul>						
RSA076	Customer Services	Leader, Policy and Strategy, Improvement and Communications	211,990	321,564	109,574	R
<ul style="list-style-type: none"> <li>• £0.333m MTFS savings yet to realised</li> <li>• £0.103 Lost SLA Income re changes to CCTV Service</li> <li>• (£0.292m) Savings achieved across vacancy management and voluntary redundancy programme</li> </ul>						
<b>Total A1R008: Strategic Management Board</b>			<b>427,060</b>	<b>1,040,185</b>	<b>613,125</b>	
<b>Grand Total Directorate:</b>			<b>261,697,220</b>	<b>297,761,717</b>	<b>36,064,497</b>	

**APPENDIX 1C****2024/25 PROJECTED REVENUE OUTTURN BY PORTFOLIO HOLDER**

<b>Portfolio Holder</b>	<b>Revised Budget £'000</b>	<b>Forecast Outturn £'000</b>	<b>Forecast Variance £'000</b>
Portfolio Holder Adult Social Care and Public Health	127,301	135,060	7,759
Portfolio Holder Children and Education	81,089	90,684	9,595
Deputy Leader and Portfolio Holder Climate Change, Environment and Transport	35,896	38,300	2,404
Portfolio Holder Finance, Corporate Resources and Communities	(12,671)	(5,197)	7,474
Portfolio Holder Housing and Assets	741	8,597	7,856
Portfolio Holder Planning and Regulatory Services	5,188	4,611	(577)
Portfolio Holder Highways	15,301	16,524	1,223
Portfolio Holder Growth and Regeneration	503	1,428	926
Portfolio Holder Culture and Digital	7,921	6,714	(1,207)
Leader and Portfolio Holder Policy and Strategy, Improvement and Communications	427	1,040	613
<b>Total</b>	<b>261,697</b>	<b>297,762</b>	<b>36,064</b>
Anticipated impact of Service reviews	0	(969)	(969)
	<b>261,697</b>	<b>296,793</b>	<b>35,095</b>

**APPENDIX 2****2024/25 INCOME PROJECTIONS  
Specific Government Grants**

The revenue budget for 2024/25 includes specific Government Grants of £300.846m. The majority of these budgets will be based on known allocations that the Government has announced for Shropshire Council. However, during the year the Council will also bid for additional grant funding to support activities. This table tracks the overall position as it emerges.

<b>Government Grants</b>	<b>Revised Budget £'000</b>	<b>Forecast Outturn £'000</b>	<b>Variance £'000</b>
<b>People</b>			
Dedicated Schools Grant	(128,231)	(128,231)	0
Pupil Premium Grant	(7,216)	(7,216)	0
Market Sustainability and Improvement Fund	(6,098)	(6,098)	0
Adult Social Care Discharge Fund	(2,772)	(2,772)	0
Unaccompanied Asylum Seeking Children	(2,987)	(3,650)	(663)
Improved Better Care Fund	(1,967)	(1,967)	0
Other Grants	(7,178)	(8,313)	°(1,135)
<b>Total People Grants</b>	<b>(156,449)</b>	<b>(158,247)</b>	<b>(1,798)</b>
<b>Place</b>			
UK Shared Prosperity Fund	(5,662)	(6,813)	(1,151)
Waste - PFI	(3,186)	(3,037)	149
Homes for Ukraine	(1,513)	(1,346)	167
Other Grants	(4,806)	(5,690)	*(884)
<b>Total Place Grants</b>	<b>(15,167)</b>	<b>(16,886)</b>	<b>(1,719)</b>
<b>Health and Wellbeing</b>			
Public Health Grant	(13,496)	(13,496)	0
Other Grants	(1,558)	(2,737)	^(1,179)
<b>Total Health and Wellbeing Grants</b>	<b>(15,054)</b>	<b>(16,233)</b>	<b>(1,179)</b>
<b>Resources</b>			
Mandatory Rent Allowances: Subsidy	(38,000)	(38,000)	0
Rent Rebates: Subsidy	(7,902)	(7,902)	0
Other Grants	(756)	(820)	(64)
<b>Total Resources Grant</b>	<b>(46,658)</b>	<b>(46,722)</b>	<b>(64)</b>
<b>Strategic Management Board</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Corporate Budgets</b>			
Social Care Support Grant	(28,010)	(28,010)	0

Government Grants	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Business Rate Retention Scheme – s31 Grants	(23,625)	(23,625)	0
Improved Better Care Fund	(9,896)	(9,896)	0
Rural Service Delivery Grant	(8,982)	(8,982)	0
New Homes Bonus	(1,807)	(1,807)	0
Other Grants	(1,880)	(1,931)	(51)
<b>Total Corporate Budgets</b>	<b>(74,200)</b>	<b>(74,251)</b>	<b>(51)</b>
<b>Total</b>	<b>(307,528)</b>	<b>(321,339)</b>	<b>(4,811)</b>

\* Additional grants in Place include £0.3m of DFE Multiply Funding relating to the UK Shared Prosperity Fund, an additional £0.174m for Active Travel Grant and an additional £0.153m of Household Support Fund.

^ Additional grants projected include £0.567m of Supplementary Substance Misuse Treatment and Recovery Funding, £0.342m of Rough Sleeping Drug & Alcohol Treatment & Recovery funding and £0.250m of PCC Grant.

° Additional grants in People include £1.536m for the Bus Service Improvement Plan +

## Income from Fees and Charges

The forecast income from discretionary sales, fees and charges is showing a projected shortfall, although over £1.2m of this is due to a reduction in costs being recharged as the costs are no longer held within the council (i.e. Marches LEP). Other shortfalls in income include car park income and rental income within Growth and Infrastructure. Further work will be undertaken within these services to generate additional income to offset these projected shortfalls, or expenditure will be reduced accordingly.

Fees and Charges Income	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
<b>People</b>			
Adult Social Care Management	0	0	0
Adult Social Care Business Support & Development	(3,042)	(3,080)	(38)
Adult Social Care Provider Services	(172)	(216)	(43)
Adult Social Care Operations	(2)	(9)	0
Children's Social Care and Safeguarding	0	(11)	(11)
Children's & Families	0	(3)	(3)
Education & Achievement	(13,360)	(13,871)	(511)
Directorate Management	0	0	0
<b>People Total</b>	<b>(16,576)</b>	<b>(17,190)</b>	<b>(606)</b>
<b>Place</b>			
Growth & Infrastructure	(19,292)	(14,483)	4,809
Homes & Communities	(7,733)	(7,070)	663
Directorate Management	0	0	0

<b>Place Total</b>	<b>(27,025)</b>	<b>(21,553)</b>	<b>5,472</b>
<b>Health and Wellbeing</b>			
Integration & Healthy People– Non Ringfenced	(280)	(508)	(228)
Integration & Healthy People - Ringfenced	(960)	(927)	33
<b>Health and Wellbeing Total</b>	<b>(1,240)</b>	<b>(1,435)</b>	<b>(195)</b>
<b>Resources</b>			
Workforce and Improvement	(558)	(435)	123
Finance and Technology	(1,951)	(1,884)	67
Legal and Governance	(69)	(1,018)	(949)
Pensions	(21)	(21)	0
Directorate Management	0	0	0
<b>Resources Total</b>	<b>(2,599)</b>	<b>(3,358)</b>	<b>(759)</b>
<b>Strategic Management Board</b>			
Chief Executive and PAs	0	0	0
Programme Management	0	0	0
Communications and Engagement	(180)	(53)	127
<b>Strategic Management Board Total</b>	<b>(180)</b>	<b>(53)</b>	<b>127</b>
<b>Corporate Budgets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>(47,620)</b>	<b>(43,589)</b>	<b>4,031</b>



## APPENDIX 3

### DELIVERY OF 2024/25 SAVINGS PROPOSALS

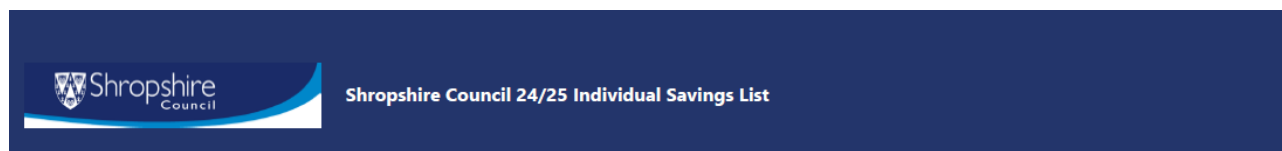
#### 2.1 Summary

The savings projections for 2024/25 are being tracked monthly with savings delivery being mapped against projected delivery during the course of the year.

The table below summarises the position as at 30th September 2024.

<b>£90,006,406</b> Savings Target	£38,757,567 Delivered	£47,435,475 Projected Delivery	£3,152,838 Indicative Plans	£39,418,094 Not Yet Planned	£46,702,278 25/26 Full Year Savings	<b>£43,304,128</b> 25/26 Savings Outstanding
	43.06% % Delivered	52.70% % Projected Delivery	3.50% % Indicative Plans	43.79% % Not Yet Planned	51.89% % 25/26 Full Year Sa...	<b>48.11%</b> % 25/26 Savings Outsta...

Despite projected delivery and indicative plans being in place for over 56% of the savings identified as at Period 6, a number of these may be being achieved through one off means, rather than an ongoing basis, hence the 25/26 full year delivery is currently showing a delivery of just under 52%. Further work is to be progressed to ensure that savings proposals delivered can be delivered on an ongoing basis in order to reduce any further savings pressures into 2025/26.



Savings Name	Savings Target	Delivered to Date (One-off)	Delivered to Date (Ongoing)	Delivered to Date Total	Projected Delivery (One-off)	Projected Delivery (Ongoing)	Projected Delivery Total	Indicative Plans in Place	Not Yet Planned	2025/26 Full Year Savings Delivery (Ongoing)
CM003 - Increase fly tipping charges	£20,000	£0	£20,000	£20,000	£0	£20,000	£20,000	£0	£0	£20,000
CM007 - Increase wider Fees and charges above those mentioned specifically elsewhere	£2,000,000	£0	£35,517	£35,517	£0	£43,270	£43,270	£100,000	£1,856,730	£43,270
EFF03 - Removal of budgets for vacant posts (avg. 3%)	£61,420	£61,420	£0	£61,420	£61,420	£0	£61,420	£0	£0	£61,420
EFF09 - Removal of budgets for vacant posts (avg. 3%)	£1,247,980	£80,770	£0	£80,770	£747,610	£0	£747,610	£0	£500,370	£0
EFF101 - Target Operating Model - staffing budget turnover and wastage increase by 5% (year-end review).	£3,514,980	£867,980	£10,850	£878,830	£867,980	£10,850	£878,830	£0	£2,636,150	£10,850
EFF103(a) - Target Operating Model - Transformation partner delivers 4 x end-to-end process reviews yielding £0.5m per project.	£770,523	£0	£0	£0	£0	£0	£0	£0	£770,523	£0
EFF103(b) - Target Operating Model - Transformation partner delivers 4 x end-to-end process reviews yielding £0.5m per project.	£1,229,477	£0	£0	£0	£0	£0	£0	£600,000	£629,477	£0
EFF105 - Target Operating Model/Workforce Strategy - Getting Leadership Right - cashable benefit of improved organisation-wide performance management	£1,403,190	£2,070	£150,810	£152,880	£89,380	£391,610	£480,990	£3,150	£919,050	£1,904,509
EFF107 - Contract Spend Analysis and Contract Management Review	£250,000	£0	£0	£0	£0	£0	£0	£0	£250,000	£0
EFF108 - Application of corporate grants	£2,000,000	£0	£0	£0	£437,000	£0	£437,000	£0	£1,563,000	£0
EFF18 - Decreased use of B&B accommodation as temporary accommodation for 2022/23 (including associated costs) in view of current action to reduce or divert demand.	£162,000	£0	£0	£0	£0	£0	£0	£162,000	£0	£162,000
EFF44(a) - As per the PFI contract - Increased share from the sale of energy and recyclates	£2,000,000	£0	£2,000,000	£2,000,000	£0	£2,000,000	£2,000,000	£0	£0	£2,000,000
EFF44(b) - Review and negotiate key supplier contracts including the Waste PFI contract to secure cost reductions	£2,000,000	£0	£0	£0	£0	£0	£0	£0	£2,000,000	£0

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EFF44(c) - Reduce from five to three Household Recycling Centres – Anticipated to deliver £0.300m therefore £0.014m included within 2024/25 savings Proposals	£286,000	£0	£286,000	£286,000	£0	£286,000	£286,000	£0	£0	£286,000
EFF45 - Charge staffing costs to capital budgets where possible and appropriate (capital project support or transformation of revenue services).	£2,019,310	£1,044,774	£519,310	£1,564,084	£1,469,374	£94,710	£1,564,084	£0	£455,226	£1,564,084
EFF49 - Removal of budgets for vacant posts (avg. 3%)	£895,870	£0	£81,587	£81,587	£0	£81,587	£81,587	£0	£814,283	£176,780
EFF76 - Review of customer contact teams across the Council - Channel shifting to promote more streamlined and cost-efficient responses.	£1,112,000	£0	£0	£0	£0	£0	£0	£0	£1,112,000	£0
EFF80 - Removal of budgets for vacant posts (avg. 3%)	£717,730	£698,168	£4,990	£703,158	£698,168	£4,990	£703,158	£0	£14,572	£424,538
EFF81 - New Operating Model - Charge staffing costs delivering transformation to capital budgets where possible and appropriate (Workforce and Improvement).	£645,222	£401,737	£0	£401,737	£401,737	£0	£401,737	£0	£243,485	£0
EFF82 - Legal and Governance restructure to include deletion of some vacant posts and the movement of others into transformation	£67,000	£0	£0	£0	£0	£0	£0	£0	£67,000	£0
EFF83 - New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Legal and Democratic).	£57,330	£0	£0	£0	£0	£0	£0	£0	£57,330	£0
EFF84 - New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Finance and IT).	£20,740	£0	£12,898	£12,898	£0	£12,898	£12,898	£16,589	£-8,747	£0
EFF86 - Contract rebates and spending reductions	£28,000	£0	£0	£0	£0	£28,000	£28,000	£0	£0	£28,000
EFF87 - Operating Model - Digital County - Reduce/remove uneconomical Service Delivery	£100,000	£0	£0	£0	£0	£0	£0	£0	£100,000	£0
EFF88 - Review of single person discount and housing benefit applications against data warehouse to reduce error and fraud.	£100,000	£0	£0	£0	£0	£0	£0	£0	£100,000	£0
EFF89 - CCTV provision and management - Seek partner funding contributions	£75,000	£0	£0	£0	£0	£0	£0	£0	£75,000	£0
MD001 - Further increase funding of public health reserves to support preventative initiatives at the children's, adults and customer front-door.	£200,000	£200,000	£0	£200,000	£200,000	£0	£200,000	£0	£0	£0
MD004 - Transfer of a leisure asset to an appropriate provider.	£100,000	£0	£100,000	£100,000	£0	£100,000	£100,000	£0	£0	£100,000
MD006 - Introduce a booking system for household recycling centres	£200,000	£0	£70,000	£70,000	£0	£70,000	£70,000	£130,000	£0	£200,000
MD007 - By increasing the use of technology, community and voluntary support reduce the need for formal care by maximising independence	£2,215,811	£0	£1,325,181	£1,325,181	£0	£2,215,811	£2,215,811	£0	£0	£2,215,811
MD008 - Increase the number of people supported by START inhouse reablement service to maximise independence, preventing readmission and the need for long term social care	£1,596,510	£0	£1,163,568	£1,163,568	£0	£1,596,510	£1,596,510	£0	£0	£1,596,510
MD009 - Reduce the need for long term residential care - Shropshire Council is committed to supporting peoples independence by ensuring they return home from hospital	£1,512,664	£0	£1,440,575	£1,440,575	£0	£1,512,664	£1,512,664	£0	£0	£1,512,664
MD010 - Provider market sustainability - Shropshire Council is continuing to work with the market to commission sustainable services that meet need whilst delivering value	£1,600,000	£0	£863,391	£863,391	£0	£1,600,000	£1,600,000	£0	£0	£1,600,000
MD011 - Reducing the need to long term residential care - Ensuring that Shropshire Council commission the right care for people in line with their needs	£129,314	£0	£43,104	£43,104	£0	£129,314	£129,314	£0	£0	£129,314
MD012 - Supported living - Reduce the need for 24 hour provision and increase independence through alternative resources such as technology	£1,200,000	£472,930	£326,816	£799,746	£472,930	£727,070	£1,200,000	£0	£0	£727,070
MD013 - Working with partners to identify health needs to ensure the right support is given at the right time	£650,000	£650,000	£0	£650,000	£650,000	£0	£650,000	£0	£0	£0
MD014 - Enabling the use of wider travel options to increase independence and reduce isolation	£200,000	£200,000	£0	£200,000	£200,000	£0	£200,000	£0	£0	£0
MD015 - Deliver efficiencies through review of service delivery	£300,000	£0	£300,000	£300,000	£0	£300,000	£300,000	£0	£0	£300,000

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MD016 - Night time care and support service enabling people to stay at home	£522,000	£0	£522,000	£522,000	£0	£522,000	£522,000	£0	£0	£522,000
MD017 - Supporting people to have Direct payment rather than agency care	£110,000	£0	£173,126	£173,126	£0	£173,126	£173,126	£0	£-63,126	£173,126
MD018 - Stepping stones - Reduce numbers of childcare placements in long-term residential placements, where appropriate	£3,000,000	£0	£2,656,648	£2,656,648	£0	£3,000,000	£3,000,000	£0	£0	£3,628,867
NI001 - Increase in income through the Minimum income guarantee national announcement.	£1,500,000	£0	£687,145	£687,145	£0	£1,500,000	£1,500,000	£0	£0	£1,500,000
NI002 - Reconciliation of any variance to care hours provided.	£2,300,000	£0	£766,668	£766,668	£0	£2,300,000	£2,300,000	£0	£-0	£2,300,000
NI003 - Set up a charging structure for recipients of telecare	£100,000	£50,096	£0	£50,096	£100,000	£0	£100,000	£0	£0	£0
NI004 - Expand the Handy Person service to a wider range of customers, including fee payers, supporting independent living	£10,000	£0	£10,000	£10,000	£0	£10,000	£10,000	£0	£0	£10,000
NI005 - Increased income from countryside maintenance contracting activity. Review green asset maintenance arrangements	£39,720	£0	£39,720	£39,720	£0	£39,720	£39,720	£0	£0	£39,720
NI006 - Increase income from Museums and Archives services	£150,000	£0	£150,000	£150,000	£0	£150,000	£150,000	£0	£0	£150,000
NI007 - Increase income from an enhanced memorial and ceremony offer at Council sites	£60,000	£0	£0	£0	£0	£0	£0	£60,000	£0	£60,000
NI008 - Increase income from an improved range of wedding and partnership ceremony packages	£68,000	£0	£68,000	£68,000	£0	£68,000	£68,000	£0	£0	£68,000
NI009 - Development of commercial model for theatre and cinema income to achieve net zero budget	£295,000	£0	£295,000	£295,000	£0	£295,000	£295,000	£0	£0	£295,000
NI010 - Introduce charging for fortnightly green waste collection	£4,000,000	£0	£2,250,000	£2,250,000	£0	£2,250,000	£2,250,000	£0	£1,750,000	£4,400,000
NI012 - Charge housing developers for new bins	£70,000	£0	£70,000	£70,000	£0	£70,000	£70,000	£0	£0	£70,000
NI013 - Review options for car parking charges at Council offices	£100,000	£0	£0	£0	£0	£0	£0	£100,000	£0	£100,000
RC001 - Redesign the delivery of the statutory service including managing demand.	£105,000	£0	£105,000	£105,000	£0	£105,000	£105,000	£0	£0	£105,000
RC002 - Redesign the delivery of the statutory regulatory (ecology) services including managing demand.	£58,600	£0	£58,600	£58,600	£0	£58,600	£58,600	£0	£0	£58,600
RC003 - Further increase allocation of the public health grant to support preventative initiatives at the children's, adults and customer front-door.	£90,000	£0	£90,000	£90,000	£0	£90,000	£90,000	£0	£0	£90,000
RC004 - Capitalisation of reserves as one off for staff and projects relating to transformation work to further increase funding of public health reserves to support preventative initiatives. This is for 2024/25, in addition to 1,000,000 in 23/24.	£1,000,000	£1,000,000	£0	£1,000,000	£1,000,000	£0	£1,000,000	£0	£0	£0
RC006 - Increase income through charging for training.	£180,000	£0	£60,000	£60,000	£0	£60,000	£60,000	£120,000	£0	£60,000
RC007 - Review of our in house day service provision.	£105,000	£0	£45,093	£45,093	£0	£105,000	£105,000	£0	£0	£105,000
RC008 - Review and reduce 3rd party spend	£2,600,000	£0	£2,608,000	£2,608,000	£0	£2,608,000	£2,608,000	£0	£-8,000	£2,608,000
RC009 - Review and reduce the need for 24 hour provision through the use of technology to increase independence	£300,000	£0	£0	£0	£0	£300,000	£300,000	£0	£0	£300,000
RC011 - Review and resize business support functions	£375,000	£0	£102,168	£102,168	£0	£375,000	£375,000	£0	£0	£375,000
RC012 - Review of external day service provision	£180,000	£0	£66,941	£66,941	£0	£180,000	£180,000	£0	£0	£180,000
RC013 - Improve efficiencies of commissioned services across children's services contracts and secure overall reduction in demand.	£1,600,000	£0	£1,600,000	£1,600,000	£0	£1,600,000	£1,600,000	£0	£0	£1,549,959
RC014 - Review & resize senior staffing structure in Children's Services against projected activity levels	£87,000	£87,000	£0	£87,000	£87,000	£0	£87,000	£0	£0	£87,000
RC016 - Agency Staff - reducing use of agency staff; promote permanent staffing.	£85,000	£0	£85,000	£85,000	£0	£85,000	£85,000	£0	£0	£47,173
RC017 - Review & resize Supported Board and Lodgings (17 & 18 year olds) to ensure full capacity	£30,000	£0	£30,000	£30,000	£0	£30,000	£30,000	£0	£0	£30,000
RC020 - Ensure that funding for the most complex of children is equitably shared with Health as an equal partner responsible for the safe care of children.	£156,000	£0	£156,000	£156,000	£0	£156,000	£156,000	£0	£0	£106,493
RC023 - Focus new residential property acquisitions on priority housing needs	£50,000	£0	£50,000	£50,000	£0	£50,000	£50,000	£0	£0	£50,000
RC024 - Optimise the use of existing Council residential properties	£20,000	£0	£0	£0	£0	£20,000	£20,000	£0	£0	£20,000

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RC025 - Review and resize the Housing Services team	£60,000	£0	£60,000	£60,000	£0	£60,000	£60,000	£0	£0	£60,000
RC029 - Review staffing and resize the Rights of Way team	£19,395	£0	£19,395	£19,395	£0	£19,395	£19,395	£0	£0	£19,395
RC030 - Review staffing and resize the Outdoor Partnerships team	£41,250	£0	£41,250	£41,250	£0	£41,250	£41,250	£0	£0	£41,250
RC031 - Removal of Arts Development funding	£17,120	£0	£17,120	£17,120	£0	£17,120	£17,120	£0	£0	£17,120
RC035 - Review staffing and resize the Culture Leisure and Tourism management team	£350,000	£0	£350,000	£350,000	£0	£350,000	£350,000	£0	£0	£350,000
RC036 - Service efficiencies from Registrars service digitisation	£50,000	£0	£50,000	£50,000	£0	£50,000	£50,000	£0	£0	£50,000
RC038 - Review staffing and resize the Business and Consumer Protection Team	£35,000	£0	£34,232	£34,232	£0	£34,232	£34,232	£0	£768	£35,000
RC040 - Dispose of Shirehall quicker and relocate services	£325,000	£0	£27,073	£27,073	£0	£27,073	£27,073	£0	£297,927	£450,000
RC043 - Review and resize staffing in Property and Development Services	£550,000	£0	£550,000	£550,000	£0	£550,000	£550,000	£0	£0	£614,190
RC044 - Review and resize the Climate Change team	£200,000	£0	£200,000	£200,000	£0	£200,000	£200,000	£0	£0	£200,000
RC045 - Review and re-size staffing in Strategic Transport	£70,000	£0	£70,000	£70,000	£0	£70,000	£70,000	£0	£0	£75,680
RC046 - Review staffing and secure workforce reductions in tree work, conservation, and historic environment teams.	£175,000	£0	£175,000	£175,000	£0	£175,000	£175,000	£0	£0	£175,000
RC047 - Review and re-size staffing in Planning Policy team	£160,000	£0	£160,000	£160,000	£0	£160,000	£160,000	£0	£0	£160,000
RC048 - Review and re-size staffing in Planning team.	£230,000	£0	£230,000	£230,000	£0	£230,000	£230,000	£0	£0	£230,000
RC049 - Review and re-size staffing in Highways Development team	£100,000	£0	£100,000	£100,000	£0	£100,000	£100,000	£0	£0	£100,000
RC050 - Review and re-sizing staffing in Planning Enforcement	£35,000	£0	£35,000	£35,000	£0	£35,000	£35,000	£0	£0	£35,000
RC051 - Review and re-sizing staffing in Broadband team.	£30,000	£0	£30,000	£30,000	£0	£30,000	£30,000	£0	£0	£30,000
RC052 - Capitalise post in Strategic Infrastructure.	£37,000	£0	£37,000	£37,000	£0	£37,000	£37,000	£0	£0	£37,000
RC053 - Capitalise part of posts in Economic Growth.	£50,000	£0	£50,000	£50,000	£50,000	£0	£50,000	£0	£0	£50,000
RC054 - Review and re-size staffing in the economic development team, including options to capitalise posts.	£77,000	£0	£77,000	£77,000	£0	£77,000	£77,000	£0	£0	£77,000
RC055 - Change in percentage split of chargeable/non-chargeable receipts in Building Control	£70,000	£0	£70,000	£70,000	£70,000	£0	£70,000	£0	£0	£70,000
RC057 - Cessation of LEP contribution further to government guidance.	£36,000	£0	£36,000	£36,000	£0	£36,000	£36,000	£0	£0	£36,000
RC058 - Stop payment of subscription to "Midlands Engine" partnership.	£20,000	£0	£20,000	£20,000	£0	£20,000	£20,000	£0	£0	£20,000
RC059 - Review contractor provisions relating to pensions costs (one off).	£300,000	£300,000	£0	£300,000	£300,000	£0	£300,000	£0	£0	£0
RC060 - Review contracts and secure cost reductions in current 'Green Asset' contracts.	£250,000	£0	£250,000	£250,000	£0	£250,000	£250,000	£0	£0	£250,000
RC061 - Review contract and secure cost reductions in reactive drainage operational team.	£200,000	£0	£200,000	£200,000	£0	£200,000	£200,000	£0	£0	£200,000
RC062 - Review and resize through highways restructure	£600,000	£0	£600,000	£600,000	£0	£600,000	£600,000	£0	£0	£600,000
RC063 - Cross Directorate structural efficiencies & synergies alongside framework utilisation reductions.	£2,000,000	£0	£2,000,000	£2,000,000	£0	£2,000,000	£2,000,000	£0	£0	£2,000,000
RC064 - Review and re-size staffing HR/OD Team (1)	£100,000	£0	£80,302	£80,302	£0	£80,320	£80,320	£0	£19,680	£100,000
RC065 - Review and re-size staffing HR/OD Team (2)	£100,000	£0	£0	£0	£0	£0	£0	£0	£100,000	£37,660
RC066 - Review and re-size staffing in the Improvement Team	£75,000	£0	£25,693	£25,693	£0	£25,693	£25,693	£0	£49,307	£34,250
RC068 - Review and re-size staffing in the Overview and Scrutiny Function	£100,000	£0	£0	£0	£0	£0	£0	£0	£100,000	£0
RC071 - Review contract, fleet, and secure cost reductions in use of mobile phones.	£114,000	£0	£114,000	£114,000	£0	£114,000	£114,000	£0	£0	£114,000
RC072 - Review and resize staffing in ICT (includes systems maintenance and development (hardware and software), user support and helpdesk, and corporate network security).	£1,000,000	£810,681	£111,038	£921,719	£810,681	£111,038	£921,719	£0	£78,281	£368,688
RC073 - Review and resize staffing in Revenues and Benefits (council tax and business rates collection and council tax support and housing benefits payments)	£500,000	£201,811	£103,379	£305,190	£201,811	£103,379	£305,190	£0	£194,810	£162,258
RC074 - Anticipated cost reductions in Revenues & Benefits arising from improvement of in-house Temporary Accommodation provision.	£1,000,000	£0	£622,000	£622,000	£0	£622,000	£622,000	£0	£378,000	£1,476,672
RC077 - Centralisation and efficiencies of external legal spending.	£100,000	£0	£0	£0	£0	£0	£0	£50,000	£50,000	£100,000

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RC078 - New model for future delivery of the Council's Out of Hours calls triage and Shrewsbury Town Centre CCTV monitoring	£334,000	£95,420	£0	£95,420	£95,420	£0	£95,420	£79,000	£159,580	£228,420
RC080 - Review and re-size overall council staffing beyond those listed elsewhere.	£8,500,000	£193,937	£527,664	£721,601	£193,937	£527,664	£721,601	£1,290,196	£6,488,203	£1,192,783
RC081 - Senior Management review	£710,000	£0	£223,550	£223,550	£0	£244,250	£244,250	£39,947	£425,803	£463,450
RC082 - Review and re-size staffing in executive support across the council.	£50,000	£0	£25,242	£25,242	£0	£25,242	£25,242	£0	£24,758	£33,890
RC083 - Review and secure cost reductions in the pooled training budget	£50,000	£0	£32,580	£32,580	£0	£32,580	£32,580	£0	£17,420	£23,030
RC085 - Reduce Third Party Spend. The proposal is to identify opportunities to reduce third party spend in a sustainable, recurrent way .	£1,267,600	£0	£0	£0	£0	£0	£0	£251,956	£1,015,644	£0
RC086 - Efficiency Savings across all areas of the Council, including paying attention to securing reduced carbon emissions within the supply chain.	£12,400,000	£0	£150,806	£150,806	£350,000	£365,276	£715,276	£0	£11,684,724	£1,035,000
SC002 - Review education transport arrangements - changes to policy (mainstream and SEND)	£350,000	£27,000	£323,000	£350,000	£27,000	£323,000	£350,000	£0	£0	£273,000
SC003 - Review education transport arrangements - changes to efficiency and delivery models (mainstream and SEND)	£650,000	£650,000	£0	£650,000	£650,000	£0	£650,000	£0	£0	£0
SC004 - Decommission block contract and move to SPOT provision.	£200,000	£0	£200,634	£200,634	£0	£200,634	£200,634	£0	£-634	£200,634
SC005 - Review the development of a solo children's home to enable discussions about a joint funded model with Health. 24/25 and 25/26 only	£400,000	£0	£400,000	£400,000	£0	£400,000	£400,000	£0	£0	£0
SC008 - Review staffing and resize the Empty Homes service	£44,650	£26,046	£18,064	£44,110	£26,046	£18,064	£44,650	£0	£0	£44,650
SC010 - Service efficiencies and increased income from Registrars delivery focus on enhanced venues	£50,000	£0	£0	£0	£0	£0	£0	£50,000	£0	£50,000
SC012 - Reduce from five to three Household Recycling Centres	£14,000	£0	£14,000	£14,000	£0	£14,000	£14,000	£0	£0	£14,000
SC013 - Rationalise property and buildings to secure revenue savings (e.g. utilities, security, repairs and maintenance etc). Use reductions to secure additional capital receipts.	£3,000,000	£0	£0	£0	£0	£500,500	£500,500	£0	£2,499,500	£500,500
SC014 - Review the provision of school crossing patrol service (Schools may opt to pay for the service).	£20,000	£0	£20,000	£20,000	£0	£20,000	£20,000	£0	£0	£20,000
SC018 - Review subscription and secure cost reductions in membership of West Midlands Employers	£30,000	£0	£30,000	£30,000	£0	£30,000	£30,000	£0	£0	£30,000
TO001 - Explore shared emergency planning resource and resilience with partners.	£15,000	£0	£15,000	£15,000	£0	£15,000	£15,000	£0	£0	£15,000
TO002 - Review the use of the UK Shared Prosperity Fund (UKSPF) to maximise grant funding	£60,000	£0	£60,000	£60,000	£0	£60,000	£60,000	£0	£0	£0
TO003 - Review the use of external grant funding for preventative SEND services across the People Directorate.	£50,000	£0	£50,000	£50,000	£0	£50,000	£50,000	£0	£0	£50,000
TO004 - Review funding arrangements and contributions from external sources to higher cost placements	£500,000	£500,000	£0	£500,000	£500,000	£0	£500,000	£0	£0	£0
TO006 - Limit access to the Housing Register for a fixed period to focus upon priority need cases.	£100,000	£0	£0	£0	£0	£0	£0	£100,000	£0	£0
<b>Total</b>	<b>£90,006,406</b>	<b>£8,621,840</b>	<b>£30,135,727</b>	<b>£38,757,567</b>	<b>£10,757,494</b>	<b>£36,677,980</b>	<b>£47,435,475</b>	<b>£3,152,838</b>	<b>£39,418,094</b>	<b>£46,702,278</b>

**APPENDIX 4****RECONCILIATION OF MONITORING PROJECTIONS TO SAVINGS DELIVERY**

Directorate / Service	Q2 Variance to Budget	Savings pressure in 2024/25 *	Ongoing Pressures Identified	Additional Ongoing Savings Identified	One Off Pressures Identified	One Off Savings Identified
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Health &amp; Wellbeing</b>						
Integration & Healthy People – Non-Ringfenced	(297)	20	215	(148)	1,135	(1,519)
Integration & Healthy People - Ringfenced	0	0	0	0	1,838	(1,838)
<b>Health &amp; Wellbeing Total</b>	<b>(297)</b>	<b>20</b>	<b>215</b>	<b>(148)</b>	<b>(2,973)</b>	<b>(3,357)</b>
<b>People</b>						
Adult Social Care	3,890	4,027	0	0	1,353	(1,491)
Children's & Families	6,674	1,393	6,413	0	4,040	(5,171)
Education & Achievement	1,887	0	3,129	0	40	(1,284)
Shire Services	0	0	0	0	0	0
Directorate Management	3,869	3,904	0	0	0	(35)
<b>People Total</b>	<b>16,319</b>	<b>9,324</b>	<b>9,542</b>	<b>0</b>	<b>5,434</b>	<b>(7,981)</b>
<b>Place</b>						
Growth & Infrastructure	9,210	9,570	1,304	(543)	1,858	(2,980)
Homes and Communities	3,570	4,962	380	(2,945)	3,113	(1,939)
Directorate Management	159	57	0	0	102	0
<b>Place Total</b>	<b>12,938</b>	<b>14,589</b>	<b>1,684</b>	<b>(3,488)</b>	<b>5,073</b>	<b>(4,919)</b>
<b>Resources</b>						
Finance and Technology	1,698	2,468	591	0	0	(1,361)
Workforce and Improvement	908	1,301	120	0	7	(519)
Legal and Governance	352	356	448	0	238	(691)
Pensions	0	0	0	0	0	0
Directorate Management	1,110	790	325	0	0	(5)
<b>Resources Total</b>	<b>4,068</b>	<b>4,915</b>	<b>1,484</b>	<b>0</b>	<b>245</b>	<b>(2,576)</b>
<b>Strategic Management Board</b>						
Chief Executive and PAs	124	166	0	0	0	(42)
Programme Management	148	0	0	0	148	0
Communications and Customer Services	341	1,316	427	0	4	(1,406)
<b>Strategic Management Board Total</b>	<b>613</b>	<b>1,482</b>	<b>427</b>	<b>0</b>	<b>152</b>	<b>(1,448)</b>
<b>Corporate Budgets</b>	<b>2,423</b>	<b>9,088</b>	<b>0</b>	<b>0</b>	<b>785</b>	<b>(7,450)</b>
<b>Council Total</b>	<b>36,064</b>	<b>39,418</b>	<b>13,352</b>	<b>(3,636)</b>	<b>14,662</b>	<b>(23,732)</b>
Anticipated impact of Service reviews	(969)			(969)		
<b>Total after benefit from resizing</b>	<b>35,095</b>	<b>39,418</b>	<b>13,352</b>	<b>(4,605)</b>	<b>14,662</b>	<b>(23,732)</b>

**APPENDIX 5****AMENDMENTS TO ORIGINAL BUDGET 2024/25**

£'000	Total	People	Place	Health & Wellbeing	Resources	Strategic Management Board	Corporate Board
<b>Original Budget as Agreed by Council</b>	<b>261,697</b>	<b>208,153</b>	<b>65,209</b>	<b>349</b>	<b>3,882</b>	<b>186</b>	<b>(16,082)</b>
<b>Structure Changes:</b>							
<b>Quarter 1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Virements:</b>							
<b>Quarter 1</b>	<b>0</b>	<b>150</b>	<b>(150)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Reallocation of savings target due to movements of Housing Services post budget setting.							
<b>Structure Changes:</b>							
<b>Quarter 2</b>	<b>0</b>	<b>10,901</b>	<b>(18,013)</b>	<b>6,540</b>	<b>36</b>	<b>536</b>	<b>0</b>
<b>INTERIM COUNCIL WIDE RESTRUCTURE</b>	<b>0</b>	<b>10,901</b>	<b>(18,013)</b>	<b>6,540</b>	<b>36</b>	<b>536</b>	<b>0</b>
<b>Virements:</b>							
<b>Quarter 2</b>	<b>0</b>	<b>(735)</b>	<b>191</b>	<b>503</b>	<b>229</b>	<b>(187)</b>	<b>(1)</b>
Single year redistribution of public health grant substitutions	<b>0</b>	<b>(300)</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>(200)</b>	<b>0</b>
Multi Year transfer of Public Health Grant substitutions	<b>0</b>	<b>(120)</b>	<b>0</b>	<b>120</b>	<b>0</b>	<b>0</b>	<b>0</b>
Allocation of telephone and mobile savings	<b>0</b>	<b>(173)</b>	<b>(55)</b>	<b>(13)</b>	<b>263</b>	<b>(21)</b>	<b>(1)</b>
Staff capitalisation savings reallocation	<b>0</b>	<b>(192)</b>	<b>298</b>	<b>(106)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Staffing adjustments, transfers, restructures etc.	<b>0</b>	<b>50</b>	<b>(52)</b>	<b>2</b>	<b>(34)</b>	<b>34</b>	<b>0</b>
<b>Quarter 2 Revised Budget</b>	<b>261,697</b>	<b>218,469</b>	<b>47,237</b>	<b>7,392</b>	<b>4,147</b>	<b>535</b>	<b>(16,083)</b>

## APPENDIX 6

### RESERVES 2024/25

#### General Fund

The general fund reserve at 31st March 2024 stood at £8.237m, significantly below its optimum desired balance.

The 2024/25 budget strategy included a contribution of £30.584m to the General Fund balance which would then reach £38.820m, which is a safer level given the current profile of financial risks.

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

Independent advice is that general fund un-earmarked reserves should equate to 5%-10% of net spending (or 2%-4% of gross revenue).

In the current financial year, maintenance of our level of GFB appears impossible and it is of great concern that the Council appears to have minimal resilience against any unforeseen variances. There is some comfort that this position is slowly improving each month. This position is under constant review with the aim to forecast a higher retention of GFB before year end.

General Fund	£'000
Balance as at 1 <sup>st</sup> April 2024	8,237
Budgeted Contribution in 2024/25	30,583
<b>Budgeted General Fund Balance as at 31<sup>st</sup> March</b>	<b>38,820</b>
2024/25 estimated spending above budget (as projected at Q1) – Post service Review	35,095
<b>Estimated Balance as at 31 March 2025</b>	<b>3,725</b>

#### Earmarked Reserves

The council held balances of £28.067m (excluding school balances) in earmarked reserves as at 1st April 2024. There are several transactions planned from earmarked reserves during the course of the year. The current projections for the year-end balance in earmarked reserves is detailed in the table below.



Earmarked Reserves	1 <sup>st</sup> April 2024	Forecast Net Contribution to/from Reserve	31 <sup>st</sup> March 2024
	£'000	£'000	£'000
Sums set aside for major schemes, such as capital developments, or to fund major reorganisations	12,274	(1,440)	10,834
Insurance reserves	1,584	(373)	1,211
Reserves of trading and business units	0	0	0
Reserves retained for service departmental use	12,693	(1,373)	11,321
Reserves held for schools	1,516	(93)	1,423
<b>Total</b>	<b>28,067</b>	<b>(3,278)</b>	<b>24,789</b>

## APPENDIX 7

### PROJECTED CAPITAL PROGRAMME OUTTURN 2024/25 – 2026/27

The capital budget for 2024/25 is continuously being monitored and changed to reflect the nature of capital projects which can be profiled for delivery over several years. In Quarter 2 there has been a net budget increase of £2.635m for 2024/25, compared to the position reported at Quarter 2. The budget increase is due to reprofiling of -£4.320m and virements of £6.955m.

Virements in Quarter 2 arose due to grant award confirmations of £3.900m (Disabled Facilities Grant (DFG) £3.600m, Devolved Formula Capital (DFC) £0.300m and Farming in Protected Landscapes £0.376m), Private Sector Contributions of £1.759m and allocation of capital receipts (£0.662m) and Community infrastructure Levy (CIL) contributions (£0.368m) to capital schemes.

Capital schemes within the People and Place directorates were reprofiled during Quarter 2. In the Place Directorate the Broadband Programme and the Bridges Structural Maintenance Programme were reprofiled by £1.962m and £0.789m respectively, whilst in the People Directorate the Schools Future Place Planning Programme and unallocated Condition funding were reprofiled by £1.400m and £0.300m respectively.

The tables below summarise the overall movement, between that already approved and changes for Quarter 2.

**Shropshire Council - Capital Programme 2024/25 - 2026/27****Capital Programme Summary - Quarter 2 2024/25**

Directorate	Revised Budget Quarter 1	Budget Virements Quarter 2	Revised Budget Quarter 2	Actual Spend	Spend to Budget Variance	% Budget Spend	Outturn Projection	Outturn Projection Variance	2025/26 Revised Budget	2026/27 Revised Budget
<b>General Fund</b>										
Health & Wellbeing	1,118,208	450,767	1,568,975	1,322,677	246,298	84.30%	1,568,975	0	471,093	0
People	11,965,302	-1,350,201	10,615,101	2,332,369	8,282,732	21.97%	10,615,101	0	10,872,084	5,750,000
Place	83,314,641	3,534,104	86,848,745	27,323,981	59,524,764	31.46%	86,848,745	0	101,355,664	37,734,977
Resources	100,000	0	100,000	130,211	-30,211	130.21%	100,000	0	0	0
<b>Total General Fund</b>	<b>96,498,151</b>	<b>2,634,670</b>	<b>99,132,821</b>	<b>31,109,238</b>	<b>68,023,583</b>	<b>31.38%</b>	<b>99,132,821</b>	<b>0</b>	<b>112,698,841</b>	<b>43,484,977</b>
<b>Housing Revenue Account</b>	<b>37,723,208</b>	<b>0</b>	<b>37,723,208</b>	<b>7,862,267</b>	<b>29,860,941</b>	<b>20.84%</b>	<b>37,723,208</b>	<b>0</b>	<b>13,821,781</b>	<b>9,000,000</b>
<b>Total Approved Budget</b>	<b>134,221,359</b>	<b>2,634,670</b>	<b>136,856,029</b>	<b>38,971,505</b>	<b>97,884,524</b>	<b>28.48%</b>	<b>136,856,029</b>	<b>0</b>	<b>126,520,622</b>	<b>52,484,977</b>

The actual capital expenditure at Quarter 2 is £38.972m, which represents 28.48% of the revised capital budget at Quarter 2, 50% of the year. This is low in comparison to the total budget, but in line with the average expenditure percentage at this period in previous years. All budgets are fully allocated to projects and will be monitored for levels of spend throughout the remainder of the year. Based on recent years, the capital programme has out turned at around 85% of the outturn budget, which on average has been around 20% lower than the budget at this point in the year, due to further re-profiling later in the year.

The level of spend is slightly low across the programme in some areas, but equal to the level of spend in the previous year at this period. In terms of the major areas the spend position is as follows: Health & Wellbeing 84.30% (budget £1.569m), People 21.97% (budget £10.615m), Place 31.46% (budget £86.849m), Resources 130.21% (budget £0.100m), HRA Major Repairs & New Build Programme 20.84% (budget £37.723m).

**Shropshire Council - Capital Budget Monitoring Report Quarter 2 2024/25**

Service Area	Initial Budget 2024/25 £	Budget Virements (Quarter 1) £	Revised Budget (Quarter 1) £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2025/26 Revised Budget £	2026/27 Revised Budget £
<b>General Fund</b>										
<b>Health &amp; Wellbeing</b>	<b>1,118,208</b>	<b>450,767</b>	<b>1,568,975</b>	<b>1,322,677</b>	<b>246,298</b>	<b>84.30%</b>	<b>1,568,975</b>	<b>0</b>	<b>471,093</b>	<b>0</b>
Public Health Capital	0	0	0	0	0	0.00%	0	0	0	0
Regulatory Services Capital	0	0	0	0	0	0.00%	0	0	0	0
Planning Policy Capital	849,740	198,542	1,048,282	1,135,542	-87,260	108.32%	1,048,282	0	378,873	0
Development Management Capital	133,182	0	133,182	89,450	43,732	67.16%	133,182	0	40,500	0
Libraries Capital	135,286	252,225	387,511	97,685	289,826	25.21%	387,511	0	51,720	0
<b>People</b>	<b>11,965,302</b>	<b>-1,350,201</b>	<b>10,615,101</b>	<b>2,332,370</b>	<b>8,282,731</b>	<b>21.97%</b>	<b>10,615,101</b>	<b>0</b>	<b>10,872,084</b>	<b>5,750,000</b>
Adult Social Care Contracts & Provider Capital	0	0	0	0	0	0.00%	0	0	0	0
Adult Social Care Operations Capital	689,715	0	689,715	214,394	475,321	31.08%	689,715	0	0	0
Children's Residential Care Capital	299,426	0	299,426	38,623	260,803	12.90%	299,426	0	0	0
Non Maintained Schools Capital	729,064	776,642	1,505,706	466,209	1,039,497	30.96%	1,505,706	0	2,700,000	0
Primary School Capital	3,976,467	-84,047	3,892,420	1,315,474	2,576,946	33.80%	3,892,420	0	400,000	0
Secondary School Capital	111,704	-50,001	61,703	34,604	27,099	56.08%	61,703	0	0	0
Special Schools Capital	-1,045	0	-1,045	131	-1,176	-12.54%	-1,045	0	0	0
Unallocated School Capital	4,370,226	-1,993,928	2,376,298	0	2,376,298	0.00%	2,376,298	0	7,772,084	5,750,000
Primary School Managed Capital	1,726,204	1,133	1,727,337	246,434	1,480,903	14.27%	1,727,337	0	0	0
Secondary School Managed Capital	52,971	0	52,971	7,561	45,410	14.27%	52,971	0	0	0
Special Schools Managed Capital	10,570	0	10,570	8,940	1,630	84.58%	10,570	0	0	0
Environment & Transport (Public Transport) Capital	0	0	0	0	0	0.00%	0	0	0	0
<b>Place Capital - Growth &amp; Infrastructure</b>	<b>71,493,319</b>	<b>-1,032,406</b>	<b>70,460,913</b>	<b>16,613,208</b>	<b>53,847,705</b>	<b>23.58%</b>	<b>70,460,913</b>	<b>0</b>	<b>94,159,361</b>	<b>31,650,699</b>
Property & Asset Capital	11,750,213	-300	11,749,913	3,410,751	8,339,162	29.03%	11,749,913	0	22,147,000	7,800,000
Broadband Capital	4,726,289	-206,857	4,519,432	720,207	3,799,225	15.94%	4,519,432	0	2,162,045	1,500,000
Growth & Development Capital	11,199,322	0	11,199,322	1,239,820	9,959,502	11.07%	11,199,322	0	6,840,112	0
Highways Capital	43,817,495	-825,249	42,992,246	11,242,430	31,749,816	26.15%	42,992,246	0	63,010,204	22,350,699
Environment & Transport Capital	0	0	0	0	0	0.00%	0	0	0	0
<b>Place Capital - Homes &amp; Communities</b>	<b>11,821,322</b>	<b>4,566,510</b>	<b>16,387,832</b>	<b>10,710,774</b>	<b>5,677,058</b>	<b>65.36%</b>	<b>16,387,832</b>	<b>0</b>	<b>7,196,303</b>	<b>6,084,278</b>
Leisure Capital	6,998,240	0	6,998,240	4,798,305	2,199,935	68.56%	6,998,240	0	3,047,303	633,261
National Landscapes and Outdoor Partnerships Capital	600,705	410,832	1,011,537	46,183	965,354	4.57%	1,011,537	0	0	0
Visitor Economy Capital	-25,671	105,500	79,829	11,760	68,069	14.73%	79,829	0	0	0
Housing Services	4,248,048	4,050,178	8,298,226	5,854,526	2,443,700	70.55%	8,298,226	0	4,149,000	5,451,017
Waste Capital	0	0	0	0	0	0.00%	0	0	0	0
<b>Resources</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>130,211</b>	<b>-30,211</b>	<b>130.21%</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
ICT Digital Transformation - CRM Capital	0	100,000	100,000	130,211	-30,211	130.21%	100,000	0	0	0
ICT Digital Transformation - ERP Capital	0	0	0	0	0	0.00%	0	0	0	0
ICT Digital Transformation - Infrastructure & Architecture Capital	100,000	-100,000	0	0	0	0.00%	0	0	0	0
ICT Digital Transformation - Social Care Capital	0	0	0	0	0	0.00%	0	0	0	0
ICT Digital Transformation - Unallocated Capital	0	0	0	0	0	0.00%	0	0	0	0
<b>Total General Fund</b>	<b>96,498,151</b>	<b>2,634,670</b>	<b>99,132,821</b>	<b>31,109,240</b>	<b>68,023,581</b>	<b>31.38%</b>	<b>99,132,821</b>	<b>0</b>	<b>112,698,841</b>	<b>43,484,977</b>
<b>Housing Revenue Account</b>	<b>37,723,208</b>	<b>0</b>	<b>37,723,208</b>	<b>7,862,267</b>	<b>29,860,941</b>	<b>20.84%</b>	<b>37,723,208</b>	<b>0</b>	<b>13,821,781</b>	<b>9,000,000</b>
HRA Dwellings Capital	37,723,208	0	37,723,208	7,862,267	29,860,941	20.84%	37,723,208	0	13,821,781	9,000,000
<b>Total Approved Budget</b>	<b>134,221,359</b>	<b>2,634,670</b>	<b>136,856,029</b>	<b>38,971,507</b>	<b>97,884,522</b>	<b>28.48%</b>	<b>136,856,029</b>	<b>0</b>	<b>126,520,622</b>	<b>52,484,977</b>

## APPENDIX 8

### PROJECTED CAPITAL RECEIPTS

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

The current capital programme is heavily reliant on the Council generating capital receipts to finance the capital programme. There is a high level of risk in these projections as they are subject to changes in property and land values, the actions of potential buyers and being granted planning permission on sites. The table below summarises the current allocated and projected capital receipt position across 2024/25 to 2027/28. A RAG analysis has been included for capital receipts projected, based on the current likelihood of generating them by the end of each financial year. Disposals rated marked “Green” are highly likely to be completed by the end of the financial year, those rated “Amber” are achievable but challenging and thus there is a risk of slippage, and those rated “Red” are highly unlikely to complete in year and thus there is a high risk of slippage. However, no receipts are guaranteed to complete in any financial year as there may be delays between exchanging contracts and completing.

	2024/25	2025/26	2026/27	2027/28
Corporate Resources Allocated in Capital Programme	13,095,056	9,220,937	4,100,000	525,346
Capital Programme Ring-fenced receipt requirements	8,933,333	23,791,002	-	-
Transformation activities	27,948,022	-	-	-
<b>Total Commitments</b>	<b>49,976,411</b>	<b>33,011,939</b>	<b>4,100,000</b>	<b>525,346</b>
<b>Capital Receipts in hand/projected:</b>				
Brought Forward in hand	15,175,259	27,610,938	60,557,877	64,592,877
Generated 2024/25 YTD	1,251,888	-	-	-
Projected - 'Green'	5,938,327	65,000	65,000	65,000
<b>Total in hand/projected</b>	<b>22,365,473</b>	<b>27,545,938</b>	<b>60,492,877</b>	<b>64,527,877</b>
<b>Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward</b>	<b>27,610,938</b>	<b>60,557,877</b>	<b>64,592,877</b>	<b>65,053,223</b>
Further Assets Being Considered for Disposal (Amber/Red)	57,003,331	23,108,940	12,550,750	6,523,050

The estimated annual shortfalls are mitigated by the capital receipts surplus position in relation to the Housing Revenue Account (HRA). Analysis of the General Fund and HRA requirement for capital receipts is shown in the tables below.

Totals (General Fund)	2024/25	2025/26	2026/27	2027/28
Corporate Resources Allocated in Capital Programme	11,683,456	9,220,937	4,100,000	525,346
Capital Programme Ring-fenced receipt requirements	8,433,333	14,374,907	-	-
Transformation activities	27,948,022	-	-	-
<b>Total Commitments</b>	<b>48,064,811</b>	<b>23,595,844</b>	<b>4,100,000</b>	<b>525,346</b>
<b>Capital Receipts in hand/projected:</b>				
Brought Forward in hand	3,782,496	39,746,290	63,277,134	67,312,134
Generated 2024/25 YTD	454,015	-	-	-
Projected - 'Green'	4,082,010	65,000	65,000	65,000
<b>Total in hand/projected</b>	<b>8,318,521</b>	<b>39,681,290</b>	<b>63,212,134</b>	<b>67,247,134</b>
<b>Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward</b>	<b>39,746,290</b>	<b>63,277,134</b>	<b>67,312,134</b>	<b>67,772,480</b>
Further Assets Being Considered for Disposal (Amber/Red)	57,003,331	23,108,940	12,550,750	6,523,050

Totals (HRA)	2024/25	2025/26	2026/27	2027/28
Corporate Resources Allocated in Capital Programme	1,411,600	-	-	-
Capital Programme Ring-fenced receipt requirements	500,000	9,416,095	-	-
Transformation activities				
<b>Total Commitments</b>	<b>1,911,600</b>	<b>9,416,095</b>	-	-
<b>Capital Receipts in hand/projected:</b>				
Brought Forward in hand	11,392,762	12,135,352	2,719,257	2,719,257
Generated 2024/25 YTD	797,873	-	-	-
Projected - 'Green'	1,856,317	-	-	-
<b>Total in hand/projected</b>	<b>14,046,952</b>	<b>12,135,352</b>	<b>2,719,257</b>	<b>2,719,257</b>
<b>Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward</b>	<b>- 12,135,352</b>	<b>- 2,719,257</b>	<b>- 2,719,257</b>	<b>- 2,719,257</b>
Further Assets Being Considered for Disposal (Amber/Red)	-	-	-	-

These tables show that capital receipts for the HRA are in a healthy surplus position over the period, however, there is pressure arising from the capital receipts requirement of the General Fund. With no other changes, this pressure amounts to £67.8m by 2027/28, although the majority falls in the next 2 years.

The General Fund capital receipts projections for 2024/25 include a significant requirement of £27.948m to fund the Council's transformational activities. This projection includes a projection of £13.425m for the Voluntary Redundancy Programme, £7.448m for transformation projects and £7.075m for the Council's Strategic Transformation Partner. These projections will be refined on an ongoing basis as further details on actual costs are determined.

A review is being undertaken ahead of Period 7 to identify options to reduce the capital receipts requirement in 2024/25. The bulk of this review will focus on the two lines in the General Fund table above - 'Corporate Resources allocated to the Capital Programme' and 'Capital Programme Ringfenced receipt requirements'. There may be options to consider alternative sources of funding for these commitments including grant, S106, CIL and borrowing. Any switch to borrowing would generate a revenue cost in future years. Given the values identified here, there may be a requirement to seek Council approval in December 2024 for shifts in funding methodology.

Assets currently being considered for disposal total £99.186m. This disposal total is significantly more than the amount of £45.308m reported at Quarter 1 through officers exploring the potential to realise capital receipts from other assets not previously considered for disposal. If realised the current disposal total of £99.186m would be sufficient to resolve the currently projected shortfall in capital receipts peaking at £67.772m in 2027/28. Of these disposals £51.869m and £47.317m are currently RAG rated "Amber" and "Red" respectively, meaning that they are either achievable but challenging or highly unlikely to complete within the relevant financial years. Additionally, assets being considered for disposal of £99.186m would be more than sufficient to resolve the peak shortfall of £42.373m in 2025/26 should capital receipts funding in the approved capital programme be replaced by borrowing.

There is a significant and urgent pressure, therefore, to progress the disposals programmed for both the current and future years, to ensure realisation, together with realising revenue running cost savings from some properties. Considerable

work is required to realise these receipts, with generally a lead in time of at least 12 to 18 months on larger disposals.

## APPENDIX 9

### FINANCIAL MANAGEMENT INDICATORS

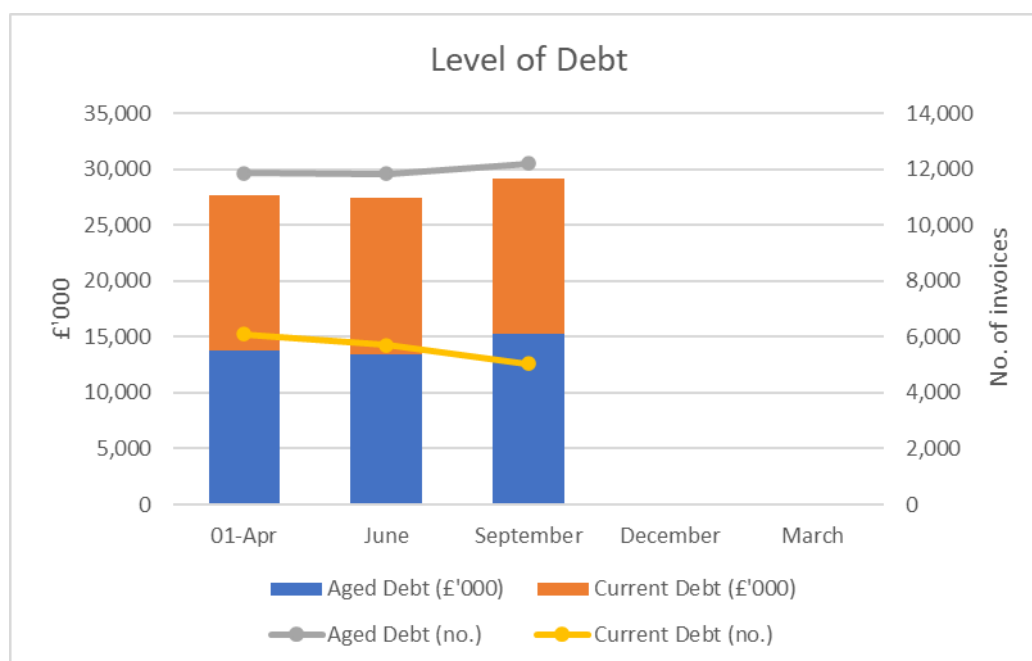
The two financial indicators detailed below will be tracked during the course of the financial year to provide assurance on the Council's financial management processes.

#### Payment of Invoices

April – September 2024	% of Invoices	No. of invoices
Paid within 30 days	73.51	24,572
Invoices not paid within 30 days	26.49	8,854
<b>Total</b>	<b>100.00</b>	<b>33,426</b>

#### Aged Debt

As at 30 <sup>th</sup> September 2024	Value (£'000)	No. of invoices
Aged Debt	15,236	12,212
Current Debt	13,892	5,037
<b>Total</b>	<b>29,128</b>	<b>17,249</b>



The payment of invoices indicator demonstrates that the council is paying 73.5% of invoices to suppliers within 30 days. This indicator has declined during the second quarter of 2024/25, and therefore further work is required to identify where blockages have arisen in the system. Ideally, invoices should be raised for payments due to the council within 30 days, and purchase orders for all new supplies should be raised ahead of delivery. Statistics on late submission of invoices and production of retrospective orders are produced for senior managers.



The value of aged debt has increased during the second quarter, in the main due to high value Adult Social Care invoices being raised. A project to improve internal processes to try to prevent debtors converting to aged status is currently taking place across the authority and has highlighted some areas for improvement which are being acted upon. However, it is clear that further work is still required on this area.