

**APPENDIX A**

<b>Service Area</b>	<b>Budget</b>	<b>Total Variation</b>
	<b>£</b>	<b>£</b>
Prosperity & Investment	(5,535,294)	(257,886)
Finance & HR	15,325,384	(960,692)
Policy & Governance	988,061	(830,154)
Children's Safeguarding & Family Support	41,259,216	3,830,675
Education & Skills	14,571,102	(810,581)
Adult Social Care	61,922,374	2,801,478
Health & Wellbeing	2,171,860	(375,593)
Neighbourhood & Enforcement Services	34,838,723	(1,383,238)
Communities, Customer & Commercial Services	5,257,810	(260,845)
Housing, Employment & Infrastructure	2,624,885	(225,500)
Corporate Communications	(8,740)	5,372
Council Wide	(26,640,981)	1,120,000
<b>Total Net Revenue Budget</b>	<b>146,774,400</b>	<b>2,653,036</b>

**2023/24 Revenue Budget Variations over £50,000**

Description		Budget	Total Variation	Comments
		£	£	
<b>Prosperity &amp; Investment</b>				
Regeneration & Investment	PIP - Income	(9,123,090)	195,389	PIP void pressure and Growth fund slippage.
	Income	(406,180)	101,430	MSCP income pressure from reduced footfall, prudent estimate at this point as assumed trend from 22/23 will continue into 23/24.
Savings Proposals Identified	Variations under £50k	3,993,976	(554,705)	
<b>Total Prosperity &amp; Investment</b>		<b>(5,535,294)</b>	<b>(257,886)</b>	
<b>Finance &amp; HR</b>				
Savings Proposals Identified		15,325,384	(960,692)	
<b>Total Finance &amp; HR</b>		<b>15,325,384</b>	<b>(960,692)</b>	
<b>Policy &amp; Governance</b>				
Savings Proposals Identified		988,061	(830,154)	
<b>Total Policy &amp; Governance</b>		<b>988,061</b>	<b>(830,154)</b>	
<b>Children's Safeguarding &amp; Family Support</b>				
CIC Placements		19,107,539	5,315,519	The very significant variation compared to the placement costs budget is predominantly driven by residential placements. There were a number of new residential placements in 22/23, a number arising from placement breakdowns, combined with some large increases in existing placement costs driven by increasing challenges and complexity presented by young people requiring specialist residential care. Step-down plans are being pursued for a significant proportion of the children in residential placements. In addition some of the pressure in this area is offset by the increased contribution from the NHS towards elements of the placements costs where the young people are presenting with health needs (see 'Health funding' line below).
Staffing - salaries		16,055,344	(77,773)	There are a number of vacancies across the service, resulting in this forecast underspend, although this and service pressures have led to agency staff being employed, with a higher average cost compared to directly employed staff.

Description	Budget	Total Variation	Comments
	£	£	
Staffing - Agency Costs	160,400	709,141	As noted above a combination of vacancies and service pressures has resulted in significant agency costs currently being incurred. In addition to individual agency workers, two agency teams have been procured, in order to provide the capacity needed to meet the current level of resource requirements and to enable statutory safeguarding requirements to be delivered. There are plans to cease these two teams in the first half of 2023/24.
Children with Disabilities	1,199,258	278,801	This area is under financial pressure, in part because of recent cost increases from providers of support. A number of initiatives are underway to ensure that cost effective and appropriate support is provided to families of children with disabilities. A Direct Payments Officer has also been appointed and a robust review of current payment levels and the level of balances in fair share accounts undertaken to ensure that the personal budgets provided to families are at an appropriate level.
Children in Care Adoption Allowances	256,770	(46,160)	Current projection is based on 22/23, in which year payments for allowances were lower than budget available.
Joint Adoption Service	774,857	294,903	The significant variance in forecast costs mainly arises from children being placed with adopters from external agencies, rather than within the regional adoption agency ('Together for Children' or T4C) that T&W is now part of. Such external placements come with a substantial one-off cost (in the region of £50K for some placements). In addition there is an ongoing budget pressure in the Joint Adoption Service ('JAS') for Shropshire and T&W, arising from a staffing increase some years ago that was intended to be offset by increased adoption allowance income. In practice, income hasn't increased to a sufficient degree to offset the cost increase.
Health Funding	(800,000)	(2,906,000)	Since the marked increase in income in 2021/22, the increased engagement with health colleagues continued and resulted in a very significant increase in contributions towards placement costs in 2022/23, which is forecast to continue in 2023/24. The increasing costs of placements, partly driven by the complex needs of children and young people, including health needs, is now being reflected in increasing health contributions.
Under £50k	3,617,895	1,109,023	Main contributors to the projected variance are legal costs, childminder fees, taxi costs, section 17 costs (expenditure to support children in need), assessment fees, building adaptations for children with disabilities, contributions from reserves and expenditure on families with no recourse to public funds.
<b>Total</b>	<b>40,372,063</b>	<b>4,677,454</b>	
Independent Review - Staffing	740,953	31,615	
Independent Review - Under £50k	146,199	21,606	

Description		Budget	Total Variation	Comments
		£	£	
Savings Proposals Identified			(900,000)	
<b>Total Children's Safeguarding &amp; Family Support</b>		<b>41,259,216</b>	<b>3,830,675</b>	
<b>Education &amp; Skills</b>				
Arthog		75,908.00	86,981	Pressure in this area arises mainly from a projected shortfall in budgeted income for the High Ropes element of the service. This position may improve as the year progresses.
Under £50K		14,495,194.00	(101,176)	
Savings Proposals Identified			(796,386)	
<b>Total Education &amp; Skills</b>		<b>14,571,102</b>	<b>(810,581)</b>	
<b>Adult Social Care</b>				
Prevention & independence - Older People & Disability	Spot Purchasing	33,609,163	2,833,078	Latest forecast pressure from modelled demand and rates for 23/24
	Block Purchasing	2,100,880	79,460	Latest forecast pressure from negotiated contracts for 23/24
	Income from Client Contributions	(7,845,656)	(459,280)	Latest forecast pressure from modelled demand and estimated contributions toward care for 23/24
Autism, Learning Disability & mental health	Staffing & Operational expenditure	2,161,249	(263,841)	Mainly from vacancies in structure
	Spot Purchasing	28,997,811	1,406,300	Latest forecast pressure from modelled demand and rates for 23/24
	Block Purchasing	2,589,092	261,130	Latest forecast pressure from negotiated contracts for 23/24
	Income from Client Contributions	(2,090,274)	(145,070)	Latest forecast pressure from modelled demand and estimated contributions toward care for 23/24
	Staffing & Operational expenditure	1,451,124	77,252	Pressure from expenditure on agency staff net of vacancies
Commissioning, Procurement & Brokerage	Staffing & Operational expenditure	695,696	64,193	Pressure from operational expenditure formerly covered by reserves-offset by Staffing and Operational underspends elsewhere in ASC and reported above

Description		Budget	Total Variation	Comments
		£	£	
Community Social Work-Principal Social Worker	My Options-Adults & Children's services	619,813	342,046	Budget pressure which may well be linked to charges not yet levied for services provided
	In House Purchasing	6,991,654	(302,654)	Expenditure below budget for the provision of care services from My Options
Prevention & enablement	Intermediate Care	4,476,509	0	The demand for reablement services and services to facilitate discharge from hospital continue at an unprecedented level. The pressure on the base budget held within the BCF is likely to be around £5-£5.5m in 2023/24, with expenditure likely to be around £11-£11.5m. Partner organisations are undertaking work programmes to look at alternative service delivery strategies to deal with the demand in the medium to longer term. Alongside this discussions with Shropshire, Telford & Wrekin ICB are being held on a regular basis to determine the funding strategy for the current financial year. The Council as commissioner of the services does not expect to fund any expenditure beyond the base budget held within the BCF and therefore the report does not anticipate any budgetary pressure in 2023/24.
	Variations under £50k	(11,834,687)	87,712	
Savings Proposals Identified			(1,178,848)	
<b>Total Adult Social Care</b>		<b>61,922,374</b>	<b>2,801,478</b>	
<b>Health &amp; Wellbeing</b>				
Coroners Court	Contracted services	266,450	68,840	Pressure on budget from services being delivered by the Coroner. This service is to be reviewed with a view to challenging the allocation of costs
	Variations under £50k	1,905,410	18,967	
Savings Proposals Identified			(463,400)	
<b>Total Health &amp; Wellbeing</b>		<b>2,171,860</b>	<b>(375,593)</b>	
<b>Neighbourhood &amp; Enforcement Services</b>				
Public Protection	Licensing - Various	173,370	64,125	Shortfall against license fee income, mainly due to reduced number of licensed premises.
	Variations under £50k	382,974	(27,564)	

Description		Budget	Total Variation	Comments
		£	£	
Enforcement	Variations under £50k	789,503	96,369	
Highways, Engineering & Project Delivery	Variations under £50k	9,910,326	(63,396)	
	Income - NRSWA – New Roads & Streetworks Act	(512,480)	(155,245)	Overachievement in street works permitting income.
	Variations under £50k	806,014	106,421	
	Other variations under £50k	23,289,016	(53,948)	
Savings Proposals Identified			(1,350,000)	
<b>Total Neighbourhood &amp; Enforcement Services</b>		<b>34,838,723</b>	<b>(1,383,238)</b>	
<b>Communities, Customer &amp; Commercial Services</b>				
IDT	Variations under £50k	(117,580.70)	(8,708)	
Culture & Events (Theatre)	Various	398,540.00	91,203	Estimated impact of theatre closure from January 2024.
	Variations under £50k	366,535.00	(21,650)	
Customer Relationships & Welfare Services	HB Subsidy	(190,000.00)	390,500	A combination of reduced recovery of overpayments and B&B spend where no subsidy can be claimed. This is a significantly improved position and the service is continuing to work with providers to further reduce subsidy loss.
	Discretionary Awards and Welfare Benefits Team - various	662,431.00	(55,529)	£24k over recovery of traded income plus various supplies & services underspends
	Variations under £50k	605,002.00	94,035	
Leisure	Various	969,840.00	97,844	Impact of closure of Oakengates Leisure centre from September 2023, net of £50k budget model growth already built in.
	Variations under £50k	1,895,530.01	(82,520)	
	Variations under £50k	48,309.00	15,271	
	Other variations under £50k	619,203.28	36,042	
Savings Proposals Identified			(817,332)	

Description		Budget	Total Variation	Comments
		£	£	
<b>Total Communities, Customer &amp; Commercial Services</b>		<b>5,257,810</b>	<b>(260,845)</b>	
<b>Housing, Employment &amp; Infrastructure</b>				
Strategic Housing & Regeneration	Income	(324,000)	245,000	£245k pressure arising from HIF cost of borrowing due to phasing of schemes offset by unallocated cost of borrowing from B&B business case & additional income from PSH fee increase.
	Variations under £50k	2,948,885	0	
Savings Proposals Identified			(470,500)	
<b>Total Housing, Employment &amp; Infrastructure</b>		<b>2,624,885</b>	<b>(225,500)</b>	
<b>Corporate Communications</b>				
	Variations under £50k	(8,740)	5,372	
<b>Total Corporate Communications</b>		<b>(8,740)</b>	<b>5,372</b>	
<b>Corporate</b>				
Council Wide		(26,640,981)		
Estimated pay inflation	Employees		2,737,000	
Reprofiling of Savings			500,000	Fostering Accommodation saving re-profiled in line with anticipated delivery
Savings Proposals Identified			(2,117,000)	
<b>Total Corporate</b>		<b>(26,640,981)</b>	<b>1,120,000</b>	
<b>Total</b>		<b>146,774,400</b>	<b>2,653,036</b>	

**Capital Approvals - by Service Area**

**Appendix C**

<b>Slippage</b>							
Scheme	Service Area	Funding Source	23/24 £	24/25 £	25/26 £	26/27 £	Later Yrs £
Housing Company - Housing	Prosperity & Investment	Prudential	(12,600,000.00)	(3,175,000.00)	5,605,000.00	10,170,000.00	
Towns Fund -Oakengates	Prosperity & Investment	Prudential	(362,500.00)	362,500.00			
Towns Fund - Wellington	Prosperity & Investment	Grant	(65,210.47)	65,210.47			
Towns Fund	Prosperity & Investment	Capital Receipts	(750,000.00)		750,000.00		
LUF Telford	Prosperity & Investment	Grant	(6,844,165.00)	5,515,451.00	1,328,714.00		
Towns Fund -Oakengates	Prosperity & Investment	External	(1,520,500.00)	1,520,500.00			
Towns Fund	Prosperity & Investment	External	(5,200,000.00)	4,600,000.00	600,000.00		
Land Deal Board Schemes	Prosperity & Investment	External	(168,210.05)	(5,601,790.00)	5,770,000.05		
HE Liability Sites	Prosperity & Investment	External	(2,437,725.97)	1,000,000.00	1,437,725.97		
HE Liability Sites	Prosperity & Investment	Prudential	(700,000.00)		700,000.00		
Stalled Sites	Prosperity & Investment	External	(300,000.00)	300,000.00			
Stalled Sites	Prosperity & Investment	Prudential	(200,000.00)	200,000.00			
St Georges Regeneration	Prosperity & Investment	Capital Receipts	(3,495,778.00)	3,495,778.00			
Site preparation	Prosperity & Investment	Capital Receipts	(1,069,000.00)	1,069,000.00			
Property Investment Portfolio	Prosperity & Investment	Prudential	(27,101,851.21)	19,422,155.21	7,679,696.00		
Property Investment Portfolio	Prosperity & Investment	Revenue	(250,000.00)	250,000.00			
Property Investment Portfolio	Prosperity & Investment	Capital Receipts	(533,349.77)	533,349.77			
Property Investment Portfolio	Prosperity & Investment	External	(479,500.00)	479,500.00			
Stronger Communities	Prosperity & Investment	Prudential	(1,500,000.00)	1,500,000.00			
Swimming Pool - Dawley Area	Prosperity & Investment	Prudential	(6,960,000.00)	6,960,000.00			
Swimming Pool - Dawley Area	Prosperity & Investment	Revenue	(790,000.00)	790,000.00			
Swimming Pool - Dawley Area	Prosperity & Investment	Capital Receipts	(739,500.00)	739,500.00			
Condition Works - Leisure	Prosperity & Investment	Prudential	(1,500,000.00)	1,500,000.00			
Efficiency Schemes Capitalisation	Corporate Items	Capital Receipts	(769,227.17)	769,227.17			
Managing the funding of the capital programme	Corporate Items	Capital Receipts	4,751,076.94	(4,001,076.94)	(750,000.00)		
Managing the funding of the capital programme	Corporate Items	Prudential	(4,751,076.94)	4,001,076.94	750,000.00		
Climate Change	Communities, Customer & Commercial Services	Prudential	(1,091,008.25)	1,091,008.25			
Pride in Your High Street	Housing, Employment & Infrastructure	Prudential	(1,403,687.66)	1,403,687.66			
<b>Total</b>			<b>(78,831,213.55)</b>	<b>44,790,077.53</b>	<b>23,871,136.02</b>	<b>10,170,000.00</b>	<b>0.00</b>
<b>New Allocations</b>							
Scheme	Service Area	Funding Source	23/24 £	24/25 £	25/26 £	26/27 £	Later Yrs £
Housing	Housing, Employment & Infrastructure	Grant	2,306,755.00				
<b>Total</b>			<b>2,306,755.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Virements</b>							
Scheme	Service Area	Funding Source	23/24 £	24/25 £	25/26 £	26/27 £	Later Yrs £
Integrated Transport	Neighbourhood & Enforcement Services	Prudential	(40,000.00)				
Rights of Way	Prosperity & Investment	Prudential	40,000.00				
Pride in Your High Street	Housing, Employment & Infrastructure	Prudential	(141,000.00)				
Stalled Sites	Prosperity & Investment	Prudential	141,000.00				
<b>Total</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>



## SCHEDULE OF EFFICIENCY PROPOSALS, ADDITIONAL INCOME AND BUDGET RE-ALIGNMENTS

Description of Saving	2023/24 One Off £	2023/24 Ongoing £	2024/25 One Off £	2024/25 Ongoing £
Service Restructures and staff savings across the organisation	222,714	2,024,504	33,948	1,334,556
Income generation including Nuplace, leisure services and trading operations	1,672,300	1,013,030	742,350	876,150
Optimise funding; including use of external grant funding, one off reserves and other receipts	2,277,615	688,349	714,226	36,000
Efficiencies through service review/redesign	0	921,000	0	917,142
Review of all non-staff and operational budgets	377,000	1,172,120	300,000	445,440
Efficiencies through rationalisation of properties	0	70,385	0	38,175
<b>TOTAL SAVINGS &amp; EFFICIENCIES</b>	<b>4,549,629</b>	<b>5,889,388</b>	<b>1,790,524</b>	<b>3,647,463</b>

**Treasury Management & Prudential Indicators****Overall Treasury Portfolio at 31st May 2023 - £m**

	Budget	Latest Estimate
Estimated Total External Borrowing @ 31st March 2024	440.2	431.4
Investments	15.0	15.0
<b>Net Borrowing</b>	<b>425.2</b>	<b>416.4</b>

**Capital Expenditure & Commitments - £m**

This indicator shows actual capital expenditure for the previous year and planned capital expenditure for 3 years. The table below reflects approvals throughout the year at Full Council, including those proposed in this report

Capital Expenditure/Funding	2023/24	2024/25	2025/26	2026/27
Prudential Borrowing	74.22	88.29	33.68	9.53
Grant Funded	64.40	30.13	11.66	-
Revenue / External	5.45	9.01	7.88	-
Capital Receipts	0.47	7.86	-	6.00
	<b>144.54</b>	<b>135.28</b>	<b>53.22</b>	<b>15.53</b>

**Capital Financing Requirement/ Borrowing - £m**

The Capital Financing Requirement is the underlying need to borrow money over the long term. If outstanding borrowing is higher than the CFR this would indicate we are borrowing in advance of need.

	Latest Projections			
	31/03/24	31/03/25	31/03/26	
Loans CFR	546.4	633.1	665.1	
Estimated Outstanding Borrowing	431.4	519.7	553.4	✓ Outstanding Borrowing is lower than the underlying need to borrow

**Authorised Limit and Operational Boundary (Debt)**

The Authorised Limit for borrowing is the maximum amount the Council may borrow at any point in the year. The Operational Boundary is the maximum amount that the Council would normally borrow at any time during the year.

	23/24	24/25	25/26	
	31/03/2024	31/03/2025	31/03/26	
Authorised Limit for borrowing - indicator set	565.0	625.0	645.0	✓ Outstanding Borrowing (above) is below both the Authorised Limit and the Operational Boundary
Operational Boundary for external debt - indicator set	545.0	605.0	625.0	

**Security**

The Council considers security, liquidity and yield, in that order, when making investment decisions.

Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments would be assigned a score based on their perceived risk.

Credit Risk Indicator	Target	Actual - 31/5/23	
Portfolio average credit score	6 or lower (which is equivalent to a credit rating of A or higher)	1.31	✓ The Average credit score for investments is within the target set

**Maturity Structure**

This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

Maturity Structure	Lower Limit	Upper Limit	Current	Within Limit
Up to 1 year	0%	70%	29%	✓
1 year to 2 years	0%	30%	10%	✓
2 years to 5 years	0%	50%	15%	✓
5 years to 10 years	0%	75%	10%	✓
10 years to 20 years	0%	75%	2%	✓
20 years to 30 years	0%	75%	6%	✓
30 years to 40 years	0%	100%	6%	✓
40 years to 50 years	0%	100%	15%	✓
Up to 50 years	0%	100%	7%	✓

**Principal sums invested for periods longer than one year**

Indicator Set		31/03/2023	31/03/2024	31/03/2025	
Limit on principal invested longer than 364 days		95%	95%	95%	✓ currently 0% invested beyond 1 year

**Ratio Affordability Measure**

Ratio of finance cost to net revenue stream (%) - Indicator Set	7.65%
Ratio of finance cost to net revenue stream (%) - 2023/24 Projection	7.69%

Financing cost to net revenue stream is marginally higher in 23/24 current interest rates being higher than when the budget was set. Other savings within Treasury budgets currently mitigate the impact in 2023/24.