

APPENDIX A

2024/25 Revenue Budget Variations

Service Area	Budget	Variation 10 July 2024 Cabinet	Movement	Total Current Variation
	£	£	£	£
Finance, People & IDT	16,530,778	(75,000)	(1,543,969)	(1,618,969)
Policy & Governance	1,488,362	(42,638)	0	(42,638)
Adult Social Care	68,174,484	4,300,052	(30,246)	4,269,806
Housing, Commercial & Customer Services	5,319,553	53,693	(53,693)	0
Children's Safeguarding & Family Support	49,549,499	157,591	607,699	765,290
Education & Skills	13,558,976	0	506,394	506,394
Health & Wellbeing	805,856	70,188	(36,691)	33,497
Neighbourhood & Enforcement Services	32,762,492	(44,992)	(1,240)	(46,232)
Prosperity & Investment	(6,852,654)	(70,942)	1,494,513	1,423,571
Council Wide	(24,041,507)	(794,000)	1,346	(792,654)
Total	157,295,840	3,553,952	944,114	4,498,066
	0			0

2024/25 Revenue Budget Variations over £50,000				
Description		Budget	Total Variation	Comments
		£	£	
Finance, People & IDT				
Treasury		14,444,469	(1,500,000)	Impact of re-profiling capital spend and positive cash flow position in the early part of the year.
Care & Education Finance	Staffing	1,065,220	(51,180)	Vacancies
Learning & Development	Staffing	564,456	(58,125)	Vacancies
Revenues	Supplies & Services	217,710	57,067	Legal/operational expenditure
People Services	Income	(5,500)	(51,160)	Net Income from AVC Scheme
	Variations under £50k	244,423	(15,571)	
Total Finance, People & IDT		16,530,778	(1,618,969)	
Policy & Governance				
	Variations under £50k	1,488,362	(42,638)	
Total Policy & Governance		1,488,362	(42,638)	
Adult Social Care				
All long term care purchasing-Spot & block for all ages	Spot & block purchasing	83,724,125	3,768,685	Forecast pressure following an update to the ASC model. The revision re-bases the model to take account of final demand and rates information for 23/24. It builds on this new base with expected changes in demand and rates for 24/25. The pressure arises because the model was produced at a point in time in the Autumn/Winter of 2023 but growth in activity has continued at unprecedented levels, and market rates are likely to continue to increase and this is impacting projected expenditure and income in 2024/25. The management team continue to work on delivering care which maximises prevention, Social Capital and maximising independence wherever possible, this should help to maximise the number of packages of care that can be supported from a constrained budget which is under pressure.
Health funding contributions-all ages and care types	Joint Funding	(7,986,218)	0	Latest forecast income from the NHS from latest identified projections of care for clients with some health needs
Prevention & independence - Older People & Disability	Staffing & Operational expenditure	3,079,487	(248,857)	Mainly from vacancies due to recruitment challenges.
Autism, Learning Disability & mental health	Staffing & Operational expenditure	2,059,417	109,060	Overspend due to additional agency workers.
	My Options-Adults & Children's services	272,374	478,230	Pressure from previous savings associated with changes to Lakewood Court from residential provision to Supported accommodation, and costs of agency staff to cover services
	In House purchasing (from My Options)	7,168,213	141,029	Increase in recharges to reflect additional work. The additional income is already reflected in My Options trading position above

2024/25 Revenue Budget Variations over £50,000

Description		Budget	Total Variation	Comments
		£	£	
Prevention & Enablement	Intermediate Care	7,632,827	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 £2m in 2024/25, with expenditure likely to be around £11mil. 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 and this may result in a share of the pressure being funded by the Council to facilitate service delivery.
	Staffing & Operational expenditure	1,402,323	273,545	Overspend due to agency workers over and above the number of vacancies in the TICAT team
Income	Client Contributions	(13,599,430)	0	Based on current expectations of in year income.
	Agency - contribution from reserves	0	(191,938)	Contribution from ASC reserves to cover additional agency resource taken on to support the service in the first quarter of 24/25, costs of which are included in staffing lines above
	Variations under £50k	(15,578,634)	(59,948)	This previously reflected the vacancy factor which has now been allocated to the operational teams
Total Adult Social Care		68,174,484	4,269,806	
Housing, Commercial & Customer Services				
Strategic Housing	Income	(324,000)	270,000	Income target shortfall; will be delivered when Housing Schemes become operational; Red Lion development due in 2025/26. There is a benefit in relation to lower borrowing costs which is included in the Treasury benefit reported under Finance.
	Variations under £50k	1,184,795	(58)	
Telford Theatre	Various	331,640	184,516	Projected costs in relation to the closure. This over spend is being mitigated by a £151k underspend within the BIT team as a result of premises cost savings.
Catering Services	Various	(140,731)	(73,045)	Projected over achievement of income.
Telford Ice Rink	Income	(870,113)	(70,787)	Projected over achievement of income.
Wellington Leisure Centre	Various	18,640	70,766	Projected net shortfall of income due to the closure.
Customer Relationships & Welfare Services	Housing Benefit Subsidy	(190,000)	19,292	Projected reduced recovery of overpayments plus an adjustment to reflect the impact of the bad debt provision. Projections reflect the expected caseload reduction due to DWP's Universal Credit managed migration.
Customer Relationships & Welfare Services	Housing Benefit Subsidy - Use of reserve	0	(19,292)	Use of earmarked one off funding to cover the above costs.
Customer Relationships & Welfare Services	Use of one of reserve funding	0	(460,708)	Use of Reserve.
Community Services	Solar Farm - Income	(989,810)	75,086	Projected shortfall in PPA and FIT income; 7% reduction for April to July to the previous year.
	Variations under £50k	5,200,882	4,230	
Libraries	Variations under £50k - Libraries	1,098,250	0	
Total Housing, Commercial & Customer Services		5,319,553	0	

2024/25 Revenue Budget Variations over £50,000

Description		Budget	Total Variation	Comments
		£	£	
Children's Safeguarding & Family Support				
Children in Care, Leaving Care Team & Speciality Services, Family Solutions	CIC Placements, Post 18 Staying Put & Leaving Care Support	31,245,780	(667,737)	Additional budget, allocated in the context of 2023/24 outturn and the budget model, currently exceeds projected costs of placements. The work with Impower and ongoing work on prevention, early intervention and review of placement costs is having a positive impact on the cost of placements. The Council's new provision for supported accommodation, Octavia Court, which opened over the summer, is also having a positive impact on placement costs.
	Health funding	(6,997,900)	580,187	the budget has been realigned in accordance with the placements model but health funding is currently projected to form the same proportion of placement costs as in 2023/24 and a reduction in overall placement costs has reduced the projected health income.
	Children with Disabilities	2,058,540	95,433	Expenditure in this area has increased significantly in recent years, as the level of need in the CYP population has increased. The realigned budget is now more realistic for this area, but there continues to be a high demand for support for children with disabilities.
	Staffing expenditure	3,357,698	464,409	Staffing budgets are currently being reviewed, but a large proportion of this variance reflects additional staffing to support Unaccompanied Asylum Seeking Children (UASC) for whom significant additional income is being received (see below).
	Income	(2,150,643)	(355,299)	Additional grant received for UASC and care leavers.
Child Protection & Family Support, Parenting Assessment & Contact Teams	Staffing expenditure	2,094,845	(247,922)	There are currently a significant number of vacant posts in this area.
Service Improvement & Efficiency	Staffing expenditure	1,660,184	(93,078)	There are some vacant posts in this area
	Operational expenditure	522,829	59,429	Additional expenditure offset by additional income - see below
	Income	(26,330)	(63,147)	See above, additional income generated covers additional costs
Family Connect, EDT & Early Help Children & Families (Strengthening Families)	Operational expenditure	1,019,002	65,651	Budget realignment to reflect savings have reduced budget in this area
Fostering, Adoption and Permanence	Adoption support	1,230,567	52,973	There has been an increase in the cost of adoption allowance in the first part of the year. Agency adoption fees are volatile and the projection in this area will be kept under review as the year progresses.
Family Safeguarding	Operational expenditure	2,817,301	61,913	The main drivers of the forecast overspend, assuming similar levels of expenditure to 2023/24, are legal expenses and assessments, both of which are linked to placement cost pressures in recent years.
Safeguarding, Management and Partnerships	Staffing expenditure	1,841,200	646,705	A budget saving of £300,000 arising from a short-term investment ending has been applied to this area, as has the Service overall vacancy factor saving of £126,000.
	Operational expenditure	1,042,093	803,974	Expenditure for Impower support, forecast at approximately £700,000 this year, is reflected here with an equivalent income source shown below
	Income	(1,177,224)	(788,929)	See above
Variations under £50k		10,191,731	140,656	

2024/25 Revenue Budget Variations over £50,000

Description		Budget	Total Variation	Comments
		£	£	
Total		48,729,673	755,217	
Independent Review	Staffing expenditure	710,677	(6,132)	Forecast expenditure assumes that a currently vacant post is recruited to.
	Operational expenditure	109,149	16,205	The forecast position arises from overspends in areas including interpreter fees and payments to Change Grow Live.
Total Children's Safeguarding & Family Support		49,549,499	765,290	
Education & Skills				
Transport		3,848,142	(117,976)	There has been a significant increase in families choosing enabling modes of school travel assistance including an uptake of personal budgets that are funded Dedicated Schools Grant (DSG).
Arthog		49,377	85,844	Pressure in this area arises mainly from a projected shortfall in budgeted income. In particular, achieving the targeted income from social impact contributions from local businesses is proving to be challenging in the current economic climate.
Traded Advisory Services		65,448	181,990	Grant income which was available to support services in this area in 2023/24 (e.g. Ukraine grant) is no longer available in 2024/25 creating budgetary pressure. Services are being reviewed in this context.
Specialist Services		562,064	228,068	Significant additional expenditure has been incurred in Educational Psychology due to the use of agency staff to process statutory assessments.
Premature retirement costs		1,171,024	140,797	Savings targets have been applied to this area, which covers the costs of teachers who prematurely retired, with the local authority picking up premature retirement costs. This policy ceased some years ago, but annual costs continue to be incurred through the duration of teachers retirement. Savings targets were applied on the basis of demography, but at present this impact is not being seen on costs.
Under £50K		7,862,921	187,671	This variance includes the £142K vacancy factor for Education & Skills
				Note: The monitoring details above for Education & Skills show the general fund position, but in addition the Dedicated Schools Grant (DSG) has a deficit of £1.82m, arising because of budget pressures from requirements of increasing high needs provision, carried forward from 2024/25. A cost improvement plan has been developed to address the situation, but there are continuing and increasing pressures in 2024/25. The deficit on the high needs budget is currently projected to increase significantly in 2024/25, with current projections showing a deficit, including the brought forward figure, of around £6m by the end of the current financial year. High needs budget overspends are a significant national issue, illustrated by most upper tier Councils already showing a DSG deficit by the end of 2022/23. In this context, the way in which local authorities account for DSG deficits was altered in 2020. DSG deficits are now required to be held in a separate reserve in local authorities' accounts. These regulations apply up to and including the accounts for 2025 to 2026.
Use of One Off Funding			(200,000)	Maximisation of grant funding
Total Education & Skills		13,558,976	506,394	
Health & Wellbeing				

2024/25 Revenue Budget Variations over £50,000

Description		Budget	Total Variation	Comments
		£	£	
Coroners Court	Contracted services	266,450	67,800	Pressure on budget from services being delivered by the Coroner and associated services. Demand for Post Mortems and body conveyancing is increasing costs
	Variations under £50k - GF Services	230,376	(34,303)	
Sexual Health	Contracted services	(5,600)	56,141	Pressure within contract identified within consumables supply contracts and initiatives
	Variations under £50k-Public Health	314,630	(8,385)	
Public Health Grant	Underspend/(Overspend) to/(from) Reserve		(47,756)	Overspends against public health funded budgets transferred from Public Health reserve
Total Health & Wellbeing		805,856	33,497	
Neighbourhood & Enforcement Services				
Enforcement	Income - Car Parking	(55,570)	143,204	Shortfall against budgeted income from car parking
	Variations under £50k	763,373	34,560	
Neighbourhood & Environmental Services	Variations under £50k	5,421,736	77,880	
Highways, Engineering & Project Delivery	Supplies & Services - Street Lighting	1,974,190	175,620	Increased Maintenance Costs
	Supplies & Services - Street Lighting		13,471	Increased Energy Usage
	Supplies & Services - Street Lighting		36,361	Increased Energy Costs
	Supplies & Services - Street Lighting		53,959	Energy Green levy introduced in 24/25
	Reserves - Street Lighting		(215,759)	Use of reserves
	Reserves - Street Lighting		(63,652)	Use of one-off reserves
Strategic Transport & Highway Network Management	Variations under £50k	8,451,956	(69,045)	
	Concessionary Travel	1,675,700	(56,005)	Reduction in Operating Costs
Safer & Stronger Communities	Variations under £50k	9,927	(93,899)	
	Variations under £50k	(2,191,970)	(2,300)	
Waste & Neighbourhood Services	Waste Treatment	6,456,430	(81,808)	Reduction in Waste Tonnages and associated Treatment processing costs
	Variations under £50k	10,256,720	1,182	
Total Neighbourhood & Enforcement Services		32,762,492	(46,232)	
Prosperity & Investment				
Building Innovation Telford	Premises - Addenbrooke House	-	120,442	Running costs and NNDR of Addenbrooke House up to transfer of property.
	Premises - Lakewood Court	-	90,000	Costs associated with fire door replacements.

APPENDIX C

Capital Approvals - by Service Area

Virements			
Scheme	Service Area	Funding Source	24/25
			£
Highways & Bridges Capital Maintenance	Neighbourhood & Enforcement Services	Prudential	(40,000.00)
Rights of Way	Prosperity & Investment	Prudential	40,000.00
Integrated Transport	Neighbourhood & Enforcement Services	Grant	5,000.00
All Other School Schemes	Education & Skills	Grant	(5,000.00)
AMP - S & FP Approved Bids	Neighbourhood & Enforcement Services	Prudential	(4,500.00)
AMP - General Works & Surveys	Prosperity & Investment	Prudential	4,500.00
Leisure Capital Schemes	Housing, Commercial & Customer Services	Prudential	(150,000.00)
Condition Work	Prosperity & Investment	Prudential	150,000.00
Legacy Fund	Housing, Commercial & Customer Services	Prudential	(88,354.32)
Condition Work	Prosperity & Investment	Prudential	88,354.32

0.00

Slippage							
Scheme	Service Area	Funding Source	24/25	25/26	26/27	27/28	
			£	£	£	£	
Pride in Your High Street	Prosperity & Investment	Prudential	(583,924.15)	583,924.15			
Housing Company - Housing	Prosperity & Investment	Prudential	(16,551,260.00)	(1,289,732.00)	(2,484,776.00)	20,325,768.00	
Stronger Communities	Prosperity & Investment	Prudential	(620,000.00)	620,000.00			
Playing Pitch Investment	Prosperity & Investment	Capital Receipts	(700,000.00)	700,000.00			
Swimming Pool in the Dawley Area	Prosperity & Investment	Capital Receipts	(600,000.00)	600,000.00			
Swimming Pool in the Dawley Area	Prosperity & Investment	Prudential		(3,000,000.00)	3,000,000.00		
Site Preparation	Prosperity & Investment	Capital Receipts	(50,000.00)	50,000.00			
Stalled Sites	Prosperity & Investment	Capital Receipts	(148,293.59)	148,293.59			
Property Investment Portfolio	Prosperity & Investment	Prudential	(11,770,000.00)	(1,005,339.72)	8,157,453.72	4,617,886.00	
Condition Works -Leisure	Prosperity & Investment	Prudential	(300,000.00)	300,000.00			
Towns Fund -Oakengates	Prosperity & Investment	Prudential	(612,514.78)	612,514.78			
Towns Fund -Oakengates	Prosperity & Investment	External	(400,000.00)	400,000.00			
Levelling Up Fund	Prosperity & Investment	Prudential	(500,000.00)		500,000.00		
Levelling Up Fund	Prosperity & Investment	Grant	(1,279,000.00)	1,279,000.00			
Towns Fund Wellington	Prosperity & Investment	Prudential	(162,000.00)		162,000.00		
Regeneration Funding	Prosperity & Investment	Prudential	(300,000.00)	300,000.00			
Towns Fund	Prosperity & Investment	External	(1,300,000.00)	1,300,000.00			
Towns Fund	Prosperity & Investment	Prudential	(500,000.00)	500,000.00			
Capital investment Fund	Corporate Items	Prudential	(5,000,000.00)		2,500,000.00	2,500,000.00	
Managing the Funding of the Capital Programme	Corporate Items	Capital Receipts	2,800,154.40	(175,154.40)	(2,000,000.00)	(625,000.00)	
Managing the Funding of the Capital Programme	Corporate Items	Prudential	(2,800,154.40)	175,154.40	2,000,000.00	625,000.00	
Efficiency Schemes Capitalisation	Corporate Items	Capital Receipts		(2,625,000.00)	2,000,000.00	625,000.00	
All Other School Schemes	Education & Skills	Grant	(4,426,052.50)	4,426,052.50			
All Other School Schemes	Education & Skills	Capital Receipts	(1,200,000.00)	1,200,000.00			
Housing	Housing, Commercial & Customer Services	Capital Receipts	(101,860.81)	101,860.81			
Housing	Housing, Commercial & Customer Services	Prudential	(800,000.00)	800,000.00			
Cemetries	Policy & Governance	Revenue	(136,390.88)	136,390.88			
ICT Investment Programme	Finance, People and IDT	Prudential	(400,000.00)	400,000.00			
Integrated Community Schemes	Adult Social Care	Prudential	(81,818.91)	81,818.91			
Service & Financial Approved Schemes	Neighbourhood & Enforcement Services	Prudential	(250,000.00)	250,000.00			
			(48,773,115.62)	6,869,783.90	13,834,677.72	28,068,654.00	

New Allocation							
Scheme	Service Area	Funding Source	24/25	25/26	26/27	27/28	
			£	£	£	£	
Pride in our Play Areas	Neighbourhood & Enforcement Services	External	5,000.00				
Integrated Transport	Neighbourhood & Enforcement Services	Revenue	35,000.00				
Pride in our Play Areas	Neighbourhood & Enforcement Services	Revenue	600.00				
Integrated Transport	Neighbourhood & Enforcement Services	External	38,511.87				
Integrated Transport	Neighbourhood & Enforcement Services	Revenue	1,100.00				
Highways / Footpaths	Neighbourhood & Enforcement Services	External	3,000.00				
Potters Group Landfill Community Fund	Neighbourhood & Enforcement Services	External	(49,425.22)				
Highways & Bridges Capital Maintenance	Neighbourhood & Enforcement Services	External	855.14				
ICT Investment Programme	Finance, People and IDT	External	745,752.83				
ICT Investment Programme	Finance, People and IDT	Prudential			735,000.00		
Affordable Housing Programme	Housing, Commercial & Customer Services	External		900,000.00			
Housing	Housing, Commercial & Customer Services	Grant	(68,200.00)				
Site Preparation	Prosperity and Investment	Capital Receipts		(1,000,000.00)			
Asset Management Plan-General Works & Surveys	Prosperity & Investment	Grant	41,800.00				
Managing the Funding of the Capital Programme	Corporate Items	Capital Receipts		1,000,000.00			
Managing the Funding of the Capital Programme	Corporate Items	Prudential		(1,000,000.00)			
			753,994.62	(100,000.00)	735,000.00	0.00	

Treasury Management & Prudential Indicators**Overall Treasury Portfolio at 31st August 2024 - £m**

	Budget	Latest Estimate
Estimated Total External Borrowing (@ 31.03.2025)	493.7	427.5
Investments (@ 31.03.2025)	15.0	15.0
Net Borrowing	478.7	412.5

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	2024/25	2025/26	2026/27
Grant Funded	44.16	38.27	0.10
Prudential Borrowing	46.20	100.66	51.20
Capital Receipts	4.61	5.14	6.00
Revenue / External	7.52	6.34	0.13
	102.50	150.41	57.44

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			
	31/03/25	31/03/26	31/03/27	
Loans CFR	555.6	654.6	703.9	
Estimated Outstanding Borrowing	427.5	528.2	579.4	✓ 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.

	24/25	25/26	26/27	
	31/03/2025	31/03/26	31/03/26	
Authorised Limit for borrowing - indicator set	655.0	745.0	765.0	✓ Outstanding Borrowing (above) is below both the Authorised Limit and the Operational Boundary
Operational Boundary for external debt - indicator set	635.0	725.0	745.0	

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 - 31/8/24	
Portfolio average credit score	6 or lower (which is equivalent to a credit rating of A or higher)	1.37	✓ 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%	35%	✓
1 year to 2 years	0%	30%	9%	✓
2 years to 5 years	0%	50%	9%	✓
5 years to 10 years	0%	75%	13%	✓
10 years to 20 years	0%	75%	5%	✓
20 years to 30 years	0%	75%	4%	✓
30 years to 40 years	0%	100%	3%	✓
40 years to 50 years	0%	100%	16%	✓
Over 50 years	0%	100%	6%	✓

Principal sums invested for periods longer than one year

		31/03/2025	31/03/26	31/03/26	
Indicator Set	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 (%)	24/25	25/26	26/27	
Indicator Set	8.54%	9.27%	9.42%	
Current	7.65%	6.35%	7.74%	✓ Financing cost to net revenue stream is lower than budgeted mainly due to slippage