

APPENDIX A

2024/25 Revenue Budget Variations

Service Area	Budget	Variation 7 November 2024 Cabinet	Movement	Total Current Variation
	£	£	£	£
Finance, People & IDT	16,589,038	(1,618,969)	(130,621)	(1,749,590)
Policy & Governance	1,369,241	(42,638)	0	(42,638)
Adult Social Care	68,180,364	4,269,806	2,491,447	6,761,253
Housing, Commercial & Customer Services	5,182,353	0	(229,561)	(229,561)
Children's Safeguarding & Family Support	49,422,228	765,290	(113,874)	651,416
Education & Skills	12,793,726	506,394	83,768	590,162
Health & Wellbeing	805,856	33,497	0	33,497
Neighbourhood & Enforcement Services	33,144,752	(46,232)	84,551	38,320
Prosperity & Investment	(6,771,621)	1,423,571	(362,037)	1,061,534
Council Wide	(23,420,097)	(792,654)	(1,060,661)	(1,853,315)
Total	157,295,840	4,498,066	763,012	5,261,077
	0			0

2024/25 Revenue Budget Variations over £50,000

Description		Budget	Total Variation	Comments
		£	£	
Finance, People & IDT				
Treasury		14,444,469	(1,700,000)	Impact of re-profiling capital spend and positive cash flow position during the year.
Learning & Development	Staffing	564,456	(60,447)	Vacancies
Revenues	Supplies & Services	217,710	66,013	Legal/operational expenditure
	Variations under £50k	1,362,403	(55,156)	
Total Finance, People & IDT		16,589,038	(1,749,590)	
Policy & Governance				
	Variations under £50k	1,369,241	(42,638)	
Total Policy & Governance		1,369,241	(42,638)	
Adult Social Care				
All long term care purchasing-Spot & block for all ages	Spot & block purchasing	83,724,125	6,551,685	The substantial upward revision to forecast expenditure arises from an acceleration in the costs of care over the last two periods, which initial analysis suggests is due to higher numbers of people requiring care or for their care to be extended, particularly adults with learning disabilities. It should, however, be noted that the trajectory of growth in the first half of 2024/25 has been half that in the equivalent period in 2023/24, reflecting the delivery of validated savings by the service. Part of the increase in care costs is offset by an increase in income (£370,000) shown lower down in this report, reducing the net increase to just over £2.5m. The management team continue to work on delivering care which maximises prevention and independence wherever possible, which is helping to mitigate this budget pressure, which would otherwise be much higher. Newton Europe, external consultants, have also been commissioned to review the service and their work to date has indicated areas where further savings could be delivered in the future. The forecast position will be kept under review as the year progresses, as demand for the service has historically been volatile.
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	(269,393)	Mainly from vacancies due to recruitment challenges.
Autism, Learning Disability & mental health	Staffing & Operational expenditure	2,059,417	114,388	Overspend due to additional agency workers.
	My Options-Adults & Children's services	272,374	569,136	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	223,771	Increase in costs to reflect additional clients mainly in day services

2024/25 Revenue Budget Variations over £50,000

Description		Budget	Total Variation	Comments	
		£	£		
Prevention & Enablement	Intermediate Care	7,632,827	319,000	The demand for reablement services and services to facilitate discharge from hospital continues at an unprecedented level. Work to mitigate the impacts of increased activity and expenditure has had a positive impact resulting in some reduced activity. This has allowed a reduction to forecast bed usage and expenditure. The pressure on the base budget held within the BCF is, based on current activity levels, projected to be a little under £1m in 2024/25, which is half the 2023/24 overspend. Total expenditure in 2024/25 is likely to be around £9.6m. Any overspend is split between Shropshire, Telford & Wrekin ICB and the Council and the current monitoring position assumes the same split (49:51) as in 2023/24. Partner organisations continue to pursue 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 how any funding pressure will be split, and the position will be updated when this is confirmed.	
	Staffing & Operational expenditure	1,402,323	57,751		Overspend due to agency workers over and above the number of vacancies
	Income	(13,599,430)	(370,000)		Based on current expectations of in year income.
	Agency - contribution from reserves	0	(143,992)		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.
	Use of One Offs				(199,000)
	Variations under £50k	(15,572,754)	(92,093)	Expenditure for Newton support, forecast at £398,000 this year, is included here with an equivalent income source to cover the expenditure.	
Total Adult Social Care		68,180,364	6,761,253		
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	1,184,765	(176,428)		
Telford Theatre	Various	331,640	137,165	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	0	(13,750)		
Telford Ice Rink	Income	(870,113)	(122,987)	Projected over achievement of income.	
Wellington Leisure Centre	Various	0	0		
Customer Relationships & Welfare Services	Housing Benefit Subsidy	(190,000)	13,759	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	(13,759)	Use of earmarked one off funding to cover the above costs.	
Customer Relationships & Welfare Services	Use of one of reserve funding	0	(466,241)	Use of Reserve.	
Community Services	Solar Farm - Income	(989,810)	114,213	Projected shortfall in PPA and FIT income; 10.45% reduction for April to Sept to the previous year.	
	Variations under £50k	4,929,491	28,467		
Libraries	Variations under £50k - Libraries	1,110,380	0		

2024/25 Revenue Budget Variations over £50,000

Description		Budget	Total Variation	Comments
		£	£	
Total Housing, Commercial & Customer Services		5,182,353	(229,561)	
Children's Safeguarding & Family Support				
Children in Care, Leaving Care Team & Speciality Services, Family Solutions	CIC Placements, Post 18 Staying Put & Leaving Care Support	31,222,780	(260,434)	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)	467,012	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	137,577	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	3,790,651	29,201	Leaving care grant of £254K has been applied and this together with a review of staffing has meant the overall projected staffing costs in this area are now close to budget.
	Operational expenditure	2,584,980	252,985	Section 17 costs (for children in need), CWD - aids and adaptations and funding of the Autism Hub are the main elements contributing to pressure in this area.
	Income	(2,587,834)	(403,590)	Additional income received from government grants including Remand Grant, staying put grant and care leavers supported accommodation reform grant.
Child Protection & Family Support, Parenting Assessment & Contact Teams	Staffing expenditure	2,094,845	(415,114)	There are currently a significant number of vacant posts in this area.
	Operational expenditure	455,235	132,712	Increase in No Recourse to Public Funds (NRPF) expenditure and Hotel/B&B costs
Service Improvement & Efficiency	Staffing expenditure	1,552,323	(54,870)	There are some vacant posts in this area
	Operational expenditure	522,340	85,641	Additional expenditure offset by additional income - see below
	Income	(26,330)	(66,647)	See above, additional income generated covers additional costs
Family Connect, EDT & Early Help Children & Families (Strengthening Families)	Staffing expenditure	3,832,302	(140,225)	There are some vacant posts in this area
	Operational expenditure	972,962	128,535	Budget realignment to reflect savings have reduced operational budgets in this area.

2024/25 Revenue Budget Variations over £50,000

Description		Budget	Total Variation	Comments
		£	£	
Fostering, Adoption and Permanence	Adoption support	1,230,567	37,568	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.
	Staffing expenditure	1,889,857	(62,874)	There are some vacant posts in this area
Family Safeguarding	Operational expenditure	2,817,301	171,057	The main drivers of the forecast overspend are legal expenses and assessments, both of which are linked to placement cost pressures in recent years.
Safeguarding, Management and Partnerships	Staffing expenditure	1,845,437	656,381	A budget saving of £300,000 arising from a short-term investment in staffing ending has been applied to this area, as has the Service overall vacancy factor saving of £126,000. Both of these staffing related pressures are more than offset by savings from vacancies in service areas - see above.
Variations under £50k		1,344,344	(75,310)	
Total		48,602,402	619,604	
Independent Review	Staffing expenditure	705,450	2,647	Forecast expenditure assumes that a currently vacant post is recruited to.
	Operational expenditure	114,376	29,165	The forecast position arises from overspends in areas including interpreter fees and payments to Change Grow Live.
Total Children's Safeguarding & Family Support		49,422,228	651,416	
Education & Skills				
Transport		3,848,142	(99,307)	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).
Traded Advisory Services		65,448	168,749	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	247,585	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		7,147,048	190,485	This variance includes the £142K vacancy factor for Education & Skills
Use of One Off Funding			(58,147)	Maximisation of grant funding. A review of expenditure against grant conditions has reduced the amount that is able to be applied to ongoing expenditure
Total Education & Skills		12,793,726	590,162	
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	(72,012)	
Public Health Grant	Underspend/(Overspend) to/(from) Reserve		15,871	underspends 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
	Income - FPN	(46,980)	58,327	Shortfall against budgeted income
	Variations under £50k	810,353	(4,655)	
Neighbourhood & Environmental Services	Variations under £50k	5,421,736	11,717	
Highways, Engineering & Project Delivery	Supplies & Services - Street Lighting	1,979,350	175,620	Increased Maintenance Costs
	Supplies & Services - Street Lighting		13,471	Increased Energy Usage
	Supplies & Services - Street Lighting		36,361	Increased Energy Costs - Difference between 6% average rate and actual rates
	Supplies & Services - Street Lighting		53,959	Energy Green levy introduced in 24/25
	Reserves - Street Lighting		(312,804)	Use of Reserves
	Reserves - Street Lighting		(63,652)	Use of one-off reserves
	Supplies & Services - Flood Barriers		33,392	Unbudgeted costs incurred for responding to flooding including supporting deployment of Ironbridge flood barriers
	Variations under £50k	8,786,636	21,691	
Strategic Transport & Highway Network Management	Supplies & Services - Concessionary Travel	1,675,700	(54,797)	Reduction in operating costs
	Variations under £50k	9,927	(13,484)	
Safer & Stronger Communities	Variations under £50k	(2,149,550)	0	
Waste & Neighbourhood Services	Waste Treatment	6,456,430	(73,656)	Reduction in Waste Tonnages and associated Treatment processing costs
	Variations under £50k	10,256,720	13,625	
Total Neighbourhood & Enforcement Services		33,144,752	38,320	
Prosperity & Investment				

APPENDIX C

Capital Approvals - by Service Area

Slippage

Scheme	Service Area	Funding Source	24/25 £	25/26 £	26/27 £	27/28 £
All Other School Schemes	Education & Skills	Grant	(2,795,690.20)	2,795,690.20		
Social Care Capital Grant	Adult Social Care	Grant	(5,497.52)	5,497.52		
Levelling Up Fund	Prosperity & Investment	Grant	(2,450,000.00)	2,450,000.00		
Levelling Up Fund	Prosperity & Investment	Prudential		(800,000.00)	800,000.00	
Pride in Your High Street	Prosperity & Investment	Prudential	(397,511.37)	397,511.37		
Property Investment Portfolio	Prosperity & Investment	Prudential	(3,950,000.00)		3,950,000.00	
ICT Investment Programme	Finance, People and IDT	Prudential		(345,000.00)	345,000.00	
			(9,598,699.09)	4,503,699.09	5,095,000.00	0.00

Treasury Management & Prudential Indicators**Overall Treasury Portfolio at 30 September 2024 - £m**

	Budget	Latest Estimate
Estimated Total External Borrowing (@ 31.03.2025)	493.7	423.2
Investments (@ 31.03.2025)	15.0	15.0
Net Borrowing	478.7	408.2

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	38.79	43.64	0.10
Prudential Borrowing	41.86	99.92	56.30
Capital Receipts	4.61	5.14	6.00
Revenue / External	7.52	6.34	0.13
	92.78	155.03	62.53

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	551.3	649.5	703.9	
Estimated Outstanding Borrowing	423.2	523.1	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 - 30/9/2024	
Portfolio average credit score	6 or lower (which is equivalent to a credit rating of A or higher)	1.51	✓ 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%	28%	✓
1 year to 2 years	0%	30%	21%	✓
2 years to 5 years	0%	50%	9%	✓
5 years to 10 years	0%	75%	12%	✓
10 years to 20 years	0%	75%	5%	✓
20 years to 30 years	0%	75%	2%	✓
30 years to 40 years	0%	100%	3%	✓
40 years to 50 years	0%	100%	14%	✓
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	7.60%	7.06%	8.89%	✓ Financing cost to net revenue stream is lower than budgeted mainly due to slippage