

APPENDIX A

**2024/25 Revenue Budget Variations**

Service Area	Budget £	Total Current Variation £
Finance & HR	16,788,049	(75,000)
Policy & Governance	1,040,998	(25,000)
Adult Social Care	68,046,065	4,300,052
Children's Safeguarding & Family Support	49,697,479	157,591
Education & Skills	13,537,776	0
Health & Wellbeing	1,895,886	196,939
Neighbourhood & Enforcement Services	33,289,106	(62,630)
Communities, Customer & Commercial Services	2,603,580	(117,000)
Housing, Employment & Infrastructure	1,916,995	(27,000)
Corporate Communications	0	0
Prosperity & Investment	(7,896,644)	0
Council Wide	(23,623,450)	(794,000)
<b>Total</b>	<b>157,295,840</b>	<b>3,553,952</b>
	<b>0</b>	<b>0</b>

2024/25 Revenue Budget Variations over £50,000				
Description		Budget	Total Variation	Comments
		£	£	
<b>Finance &amp; HR</b>				
	Variations under £50k	16,788,049	(75,000)	
<b>Total Finance &amp; HR</b>		<b>16,788,049</b>	<b>(75,000)</b>	
<b>Policy &amp; Governance</b>				
	Variations under £50k	1,040,998	(25,000)	
<b>Total Policy &amp; Governance</b>		<b>1,040,998</b>	<b>(25,000)</b>	
<b>Adult Social Care</b>				
All long term care purchasing-Spot & block for all ages	Spot & block purchasing	83,651,539	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 continue to increase and this is impacting projected expenditure and income in 2024/25. SDM's 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	3,289,954	(279,031)	Mainly from vacancies in structure due to delays in recruiting
Autism, Learning Disability & mental health	Staffing & Operational expenditure	1,914,737	0	
	My Options-Adults & Children's services	451,417	319,454	Pressure from previous savings associated with changes to Lakewood Court from residential provision to Supported accommodation and staff savings yet to be found..
	In House purchasing (from My Options)	7,130,128	0	
Prevention & Enablement	Intermediate Care	7,632,678	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 £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 and this may result in a share of the pressure being funded by the Council to facilitate service delivery.
	Staffing & Operational expenditure	1,290,390	232,289	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.

Description		Budget	Total Variation	Comments
		£	£	
	Agency - contribution from reserves	0	(146,291)	Contribution from ASC reserves to cover additional agency staff used for 12 weeks in the first quarter of 2024/25, costs of which are included in staffing lines above
	Variations under £50k	(15,729,130)	404,946	This reflects a vacancy factor assumption which is being achieved within the staffing lines above.
<b>Total Adult Social Care</b>		<b>68,046,065</b>	<b>4,300,052</b>	
<b>Children's Safeguarding &amp; Family Support</b>				
Children in Care, Leaving Care Team & Speciality Services, Family Solutions	CIC Placements, Post 18 Staying Put & Leaving Care Support	30,895,750	(387,621)	Additional budget, allocated in the context of 2023/24 outturn, is currently sufficient to meet the projected costs of placements, assuming a similar amount of health funding towards the costs of children and young people with health issues (see line below). The Council's new provision for supported accommodation, Octavia Court, is expected to have a positive impact on placement costs as it opens to full capacity during 2024/25
	Health funding	(6,000,000)	(417,713)	Health funding is currently projected at a similar level to 2024/25, in the context of similar projected expenditure on placements (see line above).
	Children with Disabilities	1,519,858	375,000	Expenditure in this area has increased significantly in recent years, as the level of need in the CYP population has increased. The current forecast for 2024/25 is based on 2023/24 expenditure, but will be kept under review as the year progresses.
	Staffing expenditure	3,357,698	145,688	Staffing budgets are currently being reviewed.
	Operational expenditure	2,623,780	377,025	Assuming similar levels of expenditure to 2023/24, the forecast overspend is primarily based upon Section 17 costs (for children in need), costs for children and young people with no recourse to public funds (NRtPF), taxi costs, and interpreters costs.
Child Protection & Family Support, Parenting Assessment & Contact Teams	Staffing expenditure	2,130,727	(218,706)	There are currently a significant number of vacant posts in this area.
Family Connect, EDT & Early Help Children & Families (Strengthening Families)	Staffing expenditure	3,832,302	(107,280)	There are currently a significant number of vacant posts in this area.
Fostering, Adoption and Permanence	Adoption support	1,230,567	(64,058)	Current forecasts for adoption agency placements are based upon 2023/24, but costs in this area are volatile and will be kept under review as the year progresses.
	Operational expenditure	527,732	267,429	A range of costs are incurred in order to maintain fostering placements e.g. travel costs, child-minding, advertising of the scheme in order to boost fostering 'supply' The costs of these three areas in particular are forecast to be in excess of budget.
	Income	(56,667)	56,667	Budget includes £50,000 agreed savings target planned to be met through cost reductions within Fostering
Family Safeguarding	Staffing expenditure	3,965,393	(335,744)	There are currently a significant number of vacant posts in this area.
	Operational expenditure	2,384,971	475,297	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	2,237,417	233,162	Most of this forecast overspend (£126,000) arises from the vacancy factor saving being applied to this area.
	Operational expenditure	1,112,290	524,092	Expenditure for Impower support, forecast at approximately £700,000 this year, is reflected here with an equivalent income source shown below
	Income	(1,145,831)	(854,445)	See above

Description		Budget	Total Variation	Comments
		£	£	
Variations under £50k		337,732	(31,867)	
<b>Total</b>		<b>48,953,721</b>	<b>36,926</b>	
Independent Review	Staffing expenditure	634,609	70,613	Forecast expenditure assumes that a currently vacant post is recruited to.
	Operational expenditure	109,149	50,051	The forecast position arises from overspends in areas including interpreter fees and payments to Change Grow Live.
<b>Total Children's Safeguarding &amp; Family Support</b>		<b>49,697,479</b>	<b>157,591</b>	
<b>Education &amp; Skills</b>				
Transport		3,830,172	(105,491)	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 Service		63,188	100,551	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.
Under £50K		9,595,039	281,847	This variance includes the £142K variance factor for Education & Skills
Use of One Off Funding			(362,751)	maximisation of grant funding
<b>Total Education &amp; Skills</b>		<b>13,537,776</b>	<b>0</b>	
<b>Health &amp; Wellbeing</b>				
Coroners Court	Contracted services	266,450	70,341	Pressure on budget from services being delivered by the Coroner and associated services. Demand for Post Mortems and body conveyancing is increasing costs
Libraries	Staffing	821,710	72,943	Delayed restructure to be launched, savings shortfall

Description		Budget	Total Variation	Comments
		£	£	
	Various	28,600	55,151	Savings attributable to the partnership deal with Wellington unlikely to be achieved in 24/25, partial off set by vacant post - saving target £90k
Sexual Health	Variations under £50k - GF Services	476,016	(1,496)	This includes £10k variance in relation to TWC contribution to Shropshire Archive, currently under negotiation with Shropshire Council - currently projected at 23/24 actual
	Contracted services	(5,600)	56,014	Pressure within contract identified within consumables supply contracts and initiatives
Public Health Grant	Variations under £50k-Public Health	308,710	(6,432)	
	Underspend/(Overspend) to/(from) Reserve		(49,582)	Overspends against public health funded budgets transferred from Public Health reserve
<b>Total Health &amp; Wellbeing</b>		<b>1,895,886</b>	<b>196,939</b>	
<b>Neighbourhood &amp; Enforcement Services</b>				
Neighbourhood & Enforcement Services	Variations under £50k	33,289,106	(62,630)	
<b>Total Neighbourhood &amp; Enforcement Services</b>		<b>33,289,106</b>	<b>(62,630)</b>	
<b>Communities, Customer &amp; Commercial Services</b>				
Customer Relationships & Welfare Services	Housing Benefit Subsidy	(190,000)	363,315	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	(363,315)	Use of earmarked one off funding to cover the above costs.
	Variations under £50k	2,793,580	(117,000)	
<b>Total Communities, Customer &amp; Commercial Services</b>		<b>2,603,580</b>	<b>(117,000)</b>	
<b>Housing, Employment &amp; Infrastructure</b>				
Housing Strategy	Supplies & Services	1,057,180	105,000	Supporting People contract re-tender process slippage impacting on delivery of saving target of £200k. Contract to be awarded October and will deliver required saving partial in 2024/25 and in full/ongoing from 2025/26.
	Variations under £50k	859,815	(132,000)	Includes use of one off reserve to mitigate Supporting People pressure.
<b>Total Housing, Employment &amp; Infrastructure</b>		<b>1,916,995</b>	<b>(27,000)</b>	

Description		Budget	Total Variation	Comments
		£	£	
<b>Corporate Communications</b>				
	No Variances to report.			
<b>Total Corporate Communications</b>		<b>0</b>	<b>0</b>	
<b>Prosperity &amp; Investment</b>				
BiT	Premises	-	180,000	Running costs and NNDR of Addenbrooke House due to delays in transfer of property.
	Variations under £50k	(7,896,644)	(180,000)	
<b>Total Prosperity &amp; Investment</b>		<b>(7,896,644)</b>	<b>0</b>	
<b>Corporate</b>				
S31 Grant	Business Rates Retention Scheme Top Up		(69,000)	Additional top up inflation 24.25
WME Dividend		(590,000)	(225,000)	Dividend received from WME higher than budgeted
Council Wide		(23,033,450)	(500,000)	Various corporate underspends including pensions and provision for savings shortfalls net of potential costs. To be updated as the year progresses.
<b>Total Corporate</b>		<b>(23,623,450)</b>	<b>(794,000)</b>	
<b>Total</b>		<b>157,295,840</b>	<b>3,553,952</b>	

APPENDIX C

Capital Approvals - by Service Area

**Virements**

Scheme	Service Area	Funding Source	24/25 £
Climate Change	Communities, Customer & Commercial Services	Prudential	(500,000.00)
Levelling Up Fund	Prosperity & Investment	Prudential	500,000.00
Affordable Housing Programme	Housing, Employment & Infrastructure	Prudential	(100,000.00)
Regeneration Funding	Prosperity & Investment	Prudential	100,000.00
			0.00

**Slippage**

Scheme	Service Area	Funding Source	24/25 £	25/26 £	26/27 £
All Other School Schemes	Education & Skills	Grant	(6,955,166.12)	6,955,166.12	
Climate Change	Communities, Customer & Commercial Services	Prudential	(753,418.59)	753,418.59	
Towns Fund Oakengates	Prosperity & Investment	Prudential	(198,710.22)	198,710.22	
Towns Fund Wellington	Prosperity & Investment	Grant	(297,864.47)	297,864.47	
Capital Receipts Site Preparation	Prosperity & Investment	Capital Receipts	(1,953,919.72)	1,953,919.72	
St Georges Regeneration	Prosperity & Investment	Capital Receipts	(800,000.00)	800,000.00	
Regeneration Funding	Prosperity & Investment	Grant	(506,277.76)	713,537.76	(207,260.00)
Regeneration Funding	Prosperity & Investment	Prudential	(671,436.00)	(100,354.84)	771,790.84
Levelling Up Fund	Prosperity & Investment	Grant	(4,331,938.00)	4,331,938.00	
Levelling Up Fund	Prosperity & Investment	Prudential	490,000.00	(1,456,834.98)	966,834.98
Swimming Pool - Dawley Area	Prosperity & Investment	Revenue	(790,000.00)	790,000.00	
Swimming Pool - Dawley Area	Prosperity & Investment	Prudential	(970,500.00)	970,500.00	
Swimming Pool - Dawley Area	Prosperity & Investment	Capital Receipts	(249,500.00)	249,500.00	
Playing Pitch Investment	Prosperity & Investment	Capital Receipts	(574,476.93)	574,476.93	
Land Deal	Prosperity & Investment	External	(260,320.00)	130,160.00	130,160.00
Land Deal Board Schemes	Prosperity & Investment	External	(30,000.00)	30,000.00	
Wholly Owned Company Investment	Prosperity & Investment	Prudential	(6,225,513.00)	2,764,170.00	3,461,343.00
Stronger Communities	Prosperity & Investment	Prudential	(800,000.00)	800,000.00	
Property Investment Portfolio	Prosperity & Investment	Prudential	(14,669,242.03)	11,669,242.03	3,000,000.00
Decarbonisation	Prosperity & Investment	Grant	(500,000.00)	500,000.00	
Affordable Housing Programme	Housing, Employment & Infrastructure	Prudential	(7,065,417.00)	7,065,417.00	
Private Sector Housing	Housing, Employment & Infrastructure	Prudential	(500,000.00)	500,000.00	
Pride in Your High Street	Housing, Employment & Infrastructure	Prudential	(180,000.00)	180,000.00	
Legal fees	Policy & Governance	Prudential	(93,000.00)	93,000.00	
Managing the Funding of the Capital Programme	Corporate Items	Capital Receipts	3,177,951.19	(3,177,951.19)	
Managing the Funding of the Capital Programme	Corporate Items	Prudential	(3,177,951.19)	3,177,951.19	
Efficiency schemes capitalisation	Corporate Items	Capital Receipts	(2,205,832.54)	2,205,832.54	
			<b>(51,092,532.38)</b>	<b>42,969,663.56</b>	<b>8,122,868.82</b>

**New Allocations**

Scheme	Service Area	Funding Source	24/25 £	25/26 £
All Other School Schemes	Education & Skills	Grant	6,213,542.15	
Pothole Action Fund	Neighbourhood & Enforcement Services	Grant	548,000.00	
Cemeteries	Communities, Customer & Commercial Services	Revenue	(54,299.63)	
Housing	Housing, Employment & Infrastructure	Grant	2,516,094.00	
HE Liability Sites	Prosperity and Investment	External	(200,000.00)	
Land Deal Board Schemes	Prosperity and Investment	External		(424,575.90)
Town Fund Wellington	Prosperity and Investment	Capital Receipts		1,300,000.00
HE Land Deal	Prosperity and Investment	External	(217,740.24)	
Towns Fund Oakengates	Prosperity and Investment	Capital Receipts		1,230,000.00
Decarbonisation	Prosperity & Investment	Grant	1,083,983.00	
Accommodation	Prosperity & Investment	Revenue	150,000.00	
			<b>10,039,579.28</b>	<b>2,105,424.10</b>

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

	Budget	Latest Estimate
Estimated Total External Borrowing (@ 31.03.2025)	493.7	468.8
Investments (@ 31.03.2025)	15.0	15.0
<b>Net Borrowing</b>	<b>478.7</b>	<b>453.8</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	2024/25	2025/26	2026/27
Grant Funded	49.89	32.57	0.10
Prudential Borrowing	87.44	102.33	36.63
Capital Receipts	4.61	5.14	6.00
Revenue / External	8.49	3.60	0.13
	<b>150.43</b>	<b>143.64</b>	<b>42.87</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			
	31/03/25	31/03/26	31/03/27	
Loans CFR	596.9	697.5	732.3	
Estimated Outstanding Borrowing	468.8	571.1	607.7	✓ 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 - 31/5/24	
Portfolio average credit score	6 or lower (which is equivalent to a credit rating of A or higher)	1.71	✓ 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%	40%	✓
1 year to 2 years	0%	30%	8%	✓
2 years to 5 years	0%	50%	14%	✓
5 years to 10 years	0%	75%	8%	✓
10 years to 20 years	0%	75%	1%	✓
20 years to 30 years	0%	75%	6%	✓
30 years to 40 years	0%	100%	4%	✓
40 years to 50 years	0%	100%	13%	✓
Over 50 years	0%	100%	6%	✓

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

Indicator Set	31/03/2025	31/03/26	31/03/26	
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	8.54%	9.27%	9.42%	✓ Financing cost to net revenue stream is as budgeted