

## CABINET

<b>Date of Meeting</b>	Tuesday, 14 February 2017
<b>Report Subject</b>	Revenue Budget Monitoring 2016/17 (month 9)
<b>Cabinet Member</b>	Leader of the Council and Cabinet Member for Finance
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### **EXECUTIVE SUMMARY**

This monthly report provides the latest revenue budget monitoring position for 2016/17 for both the Council Fund and Housing Revenue Account.

The report is based on actual income and expenditure as at Month 9 of the financial year. The report also projects how the budget would stand at the close of the financial year if all things remained equal.

The projected year end position, without any further action to reduce cost pressures or to identify new efficiencies would be as follows:-

#### **Council Fund**

- The net in year position comprises of an operating deficit of £0.799m; a decrease in the deficit of £1.011m from the position reported last month which is due to a number of factors the most significant being the cost recovery of joint funded care packages within Social Services.
- The overall projected in-year position includes £2.886m due to the change in accounting policy for MRP as agreed by County Council. This has the effect of eliminating the operating deficit and net spend is projected to be £2.087m lower the budget.
- Projected contingency reserve balance of £5.279m

#### **Housing Revenue Account**

- Net in year expenditure forecast to be £0.037m higher than budget
- Projected closing balance as at 31 March 2017 of £1.061m

## RECOMMENDATIONS

1	To note the overall report and the projected Council Fund contingency sum as at 31 <sup>st</sup> March 2017 and continue to support the work on actions and options for mitigating action.
2	To note the projected final level of balances on the Housing Revenue Account.
3	To approve a budget virement within Social Services as detailed in paragraph 1.10.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE MONTH 9 POSITION</b>
1.01	The operating deficit reported is £0.799m above budget which is a decrease of £1.011m from the deficit reported last month, reasons for variance to month 8 are include in appendix 1. As resolved by Cabinet work is still ongoing to identify actions and options to further reduce the operating deficit through further detailed analysis of overspending areas.
1.02	The operating deficit in-year is in effect 'written-off' by the change in the Council's policy for accounting for Minimum Revenue Provision (MRP) which was reviewed and approved by Council on 6 December 2016 as part of the 2017/18 budget proposals. This has resulted in a positive impact of £2.886m on the 2016/17 budget as part of providing a major efficiency for 2017/18, and means that the projected spend is now £2.087m less than the budget.
1.03	<b>Transport Costs</b>  Previous reports have referenced the issues encountered due to the liquidation of a major transport provider affecting school and public transport subsidised routes within the County with an additional cost of £0.410m within this financial year. A one off grant from Welsh Government has been agreed at a regional level and we expect to recoup up to £0.200m of the costs incurred though negotiations are continuing.
1.04	<b>Council Fund Latest in Year Forecast</b>  The table below shows the projected position by portfolio.

	<b>TOTAL EXPENDITURE AND INCOME</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Projected Outturn</b>	<b>In-Year Over / (Under) spend</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
	Social Services	58.534	60.829	60.742	(0.087)
	Community & Enterprise	12.035	12.437	11.879	(0.558)
	Streetscene & Transportation	27.011	28.527	29.169	0.642
	Planning & Environment	4.978	5.130	5.407	0.277
	Education & Youth	11.225	11.424	11.371	(0.053)
	Schools	86.162	87.742	87.742	0.000
	People & Resources	4.319	4.668	4.640	(0.027)
	Governance	8.159	7.716	7.791	0.075
	Organisational Change 1	5.560	5.972	6.062	0.091
	Organisational Change 2	2.244	2.572	2.160	(0.412)
	Chief Executive	3.204	3.154	3.116	(0.038)
	Central & Corporate Finance	28.552	21.814	19.817	(1.996)
	<b>Total</b>	<b>251.984</b>	<b>251.984</b>	<b>249.897</b>	<b>(2.087)</b>
1.05	The reasons for the projected variances are summarised within Appendix 2 with key significant portfolio variances explained in paragraphs 1.07 to 1.08.				
1.06	<b>Significant Budget Movements between Original and Revised Budget</b>  There were no significant budget movements between portfolios this month.				
1.07	<b>Streetscene and Transportation</b>  There is a significant variance within the portfolio of £0.642m which is a decrease of £0.137m from month 8. As referenced in 1.03 grant funding has been offered by Welsh Government to offset some of the costs incurred in securing the school and public transport subsidised routes. Negotiations are ongoing between the neighbouring authorities over the distribution of the grant, however an estimate has been included in the Streetscene & Transportation outturn in month 9 for Flintshire County Council's proportion of this grant. Full details of all other variances are given in Appendix 2.				
1.08	<b>Social Services</b>  As a result of ongoing negotiations with Betsi Cadwaladr University Health Board as the funding partner in the joint use of the Continuing Health Care				

(CHC) Fund, agreement has been reached that the Health Board will increase the funding for a number of our high cost Learning Disability care packages which has led to a positive movement on the overall position for Social Services of £0.452m. This is broken down as £0.225m for 2015/16 and £0.227m for 2016/17. A similar amount to the 2016/17 amount can be expected for 2017/18 and subsequent years providing care packages remain stable.

1.09 As previously reported a review of existing budgets has been undertaken with a view to realigning to closer match client actuals and recommended that the following areas to be vired.

1.10

<b><u>Budget area :</u></b>	<b><u>Budget Reduction</u></b> <b>£(m)</b>	<b><u>Budget Reduction</u></b> <b>£(m)</b>
Adults Services - Older People :		
Localities -	0.025	
Resources & Regulated Services	0.050	
Reablement	<u>0.025</u>	
Total - Adult Services (Older People) :		0.100
<b><u>Development &amp; Resources</u></b>		
Business Systems & Financial Assessments	0.062	
Charging Policy Income	0.078	
Business Support Services	0.075	
Good Health	0.050	
Finance / Deputyship	0.010	
Management & Support	<u>0.025</u>	
Total Development & Resources :		<u>0.300</u>
Total budget reductions :		0.400

The areas of the Children's Services budgets which it is recommended should benefit from the realignment of the £0.400m budget from other portfolio budget savings are summarised below :-

<b><u>Budget area :</u></b>	<b><u>Budget Increase</u></b> <b>£(m)</b>	<b><u>Budget Increase</u></b> <b>£(m)</b>
<b><u>Children's Services :</u></b>		
Family Placement	0.070	
Professional Support	0.280	
Residential Placements	<u>0.050</u>	
Total budget increases :		0.400

It is recommended that the above proposals for permanent budget realignment within the Social Services portfolio are approved for implementation ahead of completion of the Month 10 budget monitoring report.

1.11 **Programme of Efficiencies**

	The 2016/17 budget contains £11.282m of specific efficiencies which are being tracked and monitored. An amount of £0.761m was approved from the contingency reserve in the month 4 report to meet the impact of conscious decisions to change proposals for household recycling centres, community asset transfers, town centre car parking charging and workforce essential car user allowances resulting in a revised efficiency target of £10.521m.																																																																											
1.12	Appendix 3 provides detail on the latest position where there is a variation to the level of efficiency achievable compared to the budget.																																																																											
1.13	<p>This shows that it is currently projected that £9.384m (89%) will be achieved resulting in a net underachievement of £1.137m - a decrease of £0.014m. The changes in efficiency assumptions since month 8 are summarised below:</p> <table border="1"> <thead> <tr> <th></th> <th>Original Efficiency</th> <th>Previous Month Revised Efficiency</th> <th>Current Month Revised Efficiency</th> <th>Increase/ (Decrease) between months</th> </tr> <tr> <th>Portfolio</th> <th>2016/17 £(m)</th> <th>2016/17 £(m)</th> <th>2016/17 £(m)</th> <th>2016/17 £(m)</th> </tr> </thead> <tbody> <tr> <td><b><u>Central &amp; Corporate Finance</u></b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Workforce Efficiency</td> <td>0.500</td> <td>0.222</td> <td>0.224</td> <td>0.002</td> </tr> <tr> <td><b><u>Chief Executive</u></b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Voluntary Sector Grants review</td> <td>0.070</td> <td>0.090</td> <td>0.080</td> <td>(0.010)</td> </tr> <tr> <td><b><u>People &amp; Resources</u></b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Finance Modernisation</td> <td>0.135</td> <td>0.092</td> <td>0.108</td> <td>0.016</td> </tr> <tr> <td><b><u>Community &amp; Enterprise</u></b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Telephone Contact Centre Savings</td> <td>0.100</td> <td>0.025</td> <td>0.000</td> <td>(0.025)</td> </tr> <tr> <td>Energy Efficiency Framework</td> <td>0.050</td> <td>0.050</td> <td>0.030</td> <td>(0.020)</td> </tr> <tr> <td>SHARP Framework</td> <td>0.020</td> <td>0.020</td> <td>0.000</td> <td>(0.020)</td> </tr> <tr> <td>Council Tax Reduction Scheme</td> <td>0.329</td> <td>0.591</td> <td>0.619</td> <td>0.028</td> </tr> <tr> <td><b><u>Streetscene &amp; Transportation</u></b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Car Parking Charges</td> <td>0.200</td> <td>0.165</td> <td>0.180</td> <td>0.015</td> </tr> </tbody> </table>		Original Efficiency	Previous Month Revised Efficiency	Current Month Revised Efficiency	Increase/ (Decrease) between months	Portfolio	2016/17 £(m)	2016/17 £(m)	2016/17 £(m)	2016/17 £(m)	<b><u>Central &amp; Corporate Finance</u></b>					Workforce Efficiency	0.500	0.222	0.224	0.002	<b><u>Chief Executive</u></b>					Voluntary Sector Grants review	0.070	0.090	0.080	(0.010)	<b><u>People &amp; Resources</u></b>					Finance Modernisation	0.135	0.092	0.108	0.016	<b><u>Community &amp; Enterprise</u></b>					Telephone Contact Centre Savings	0.100	0.025	0.000	(0.025)	Energy Efficiency Framework	0.050	0.050	0.030	(0.020)	SHARP Framework	0.020	0.020	0.000	(0.020)	Council Tax Reduction Scheme	0.329	0.591	0.619	0.028	<b><u>Streetscene &amp; Transportation</u></b>					Car Parking Charges	0.200	0.165	0.180	0.015
	Original Efficiency	Previous Month Revised Efficiency	Current Month Revised Efficiency	Increase/ (Decrease) between months																																																																								
Portfolio	2016/17 £(m)	2016/17 £(m)	2016/17 £(m)	2016/17 £(m)																																																																								
<b><u>Central &amp; Corporate Finance</u></b>																																																																												
Workforce Efficiency	0.500	0.222	0.224	0.002																																																																								
<b><u>Chief Executive</u></b>																																																																												
Voluntary Sector Grants review	0.070	0.090	0.080	(0.010)																																																																								
<b><u>People &amp; Resources</u></b>																																																																												
Finance Modernisation	0.135	0.092	0.108	0.016																																																																								
<b><u>Community &amp; Enterprise</u></b>																																																																												
Telephone Contact Centre Savings	0.100	0.025	0.000	(0.025)																																																																								
Energy Efficiency Framework	0.050	0.050	0.030	(0.020)																																																																								
SHARP Framework	0.020	0.020	0.000	(0.020)																																																																								
Council Tax Reduction Scheme	0.329	0.591	0.619	0.028																																																																								
<b><u>Streetscene &amp; Transportation</u></b>																																																																												
Car Parking Charges	0.200	0.165	0.180	0.015																																																																								
1.14	<p><b>Inflation</b></p> <p>Included within the 2016/17 budget are provision for pay (£0.936m), targeted price inflation (£0.573m) and income (£0.185m).</p>																																																																											
1.15	Following the allocation to portfolios of the provisions described in paragraph 1.14 there is a remaining balance of £0.070m which is included within the overall outturn figure.																																																																											
1.16	No provision has been made for non-standard inflation (NSI) in 2016/17. Areas that may be subject to NSI increases will be monitored throughout the																																																																											

	year and any emerging pressures will be considered in future reports.																																																																							
	<b>Reserves and Balances</b>																																																																							
1.17	<b>Un-earmarked Reserves</b>																																																																							
	The 2015/16 outturn reported to Cabinet on 19 July 2016 showed un-earmarked reserves at 31 March 2016 (above the base level of £5.769m) of £4.375m.																																																																							
1.18	Taking into account the current projected overspend at Month 9 and previously agreed allocations the balance on the Contingency Reserve at 31 March 2017 is projected to be £5.279m as detailed in appendix 4.																																																																							
1.19	<b>Earmarked Reserves</b>																																																																							
	The Council adopted a reserves protocol in September 2015 which set out the principles around how the Council determines, manages and reviews its level of reserves. Within the protocol is reference to regular reporting of the latest position to Cabinet and Corporate Resources Overview and Scrutiny Committee.																																																																							
1.20	The table below gives a summary of earmarked reserves as at 1 April 2016 and provides an estimate of projected balances as at the end of the current financial year.																																																																							
1.21	<table border="1"> <thead> <tr> <th>Reserve Type</th> <th>Balance as at 1/4/16</th> <th>Balance as at 31/3/17</th> </tr> </thead> <tbody> <tr> <td>Service Balances</td> <td>5,024,743</td> <td>1,733,522</td> </tr> <tr> <td>Schools Balances</td> <td>2,306,721</td> <td>275,087</td> </tr> <tr> <td>SingleStatus/Equal Pay</td> <td>7,548,813</td> <td>4,928,687</td> </tr> <tr> <td>Investment &amp; Organisational Change</td> <td>1,268,651</td> <td>606,132</td> </tr> <tr> <td>Budget Strategy - General Reserves</td> <td>4,460,118</td> <td>2,884,741</td> </tr> <tr> <td>Benefits Equalisation</td> <td>192,699</td> <td>85,070</td> </tr> <tr> <td>County Elections</td> <td>193,857</td> <td>167,167</td> </tr> <tr> <td>Supporting People</td> <td>832,163</td> <td>386,638</td> </tr> <tr> <td>Community Equipment Store</td> <td>0</td> <td>0</td> </tr> <tr> <td>Unitary Development Plan (UPP)</td> <td>646,982</td> <td>464,000</td> </tr> <tr> <td>Building Control</td> <td>90,611</td> <td>151,249</td> </tr> <tr> <td>Waste Disposal</td> <td>370,859</td> <td>310,433</td> </tr> <tr> <td>Countryside</td> <td>0</td> <td>0</td> </tr> <tr> <td>Flintshire Enterprise Ltd</td> <td>72,892</td> <td>72,892</td> </tr> <tr> <td>Third Party Claims</td> <td>0</td> <td>0</td> </tr> <tr> <td>Design Fees</td> <td>200,000</td> <td>200,000</td> </tr> <tr> <td>Winter Maintenance</td> <td>250,000</td> <td>250,000</td> </tr> <tr> <td>Car Parking</td> <td>86,284</td> <td>0</td> </tr> <tr> <td>Insurance Funds</td> <td>1,221,558</td> <td>1,405,000</td> </tr> <tr> <td>Cash Receipting Review</td> <td>241,295</td> <td>0</td> </tr> <tr> <td>Grants &amp; Contributions</td> <td>2,737,077</td> <td>1,040,470</td> </tr> <tr> <td><b>Total</b></td> <td><b>27,745,323</b></td> <td><b>15,588,601</b></td> </tr> </tbody> </table>			Reserve Type	Balance as at 1/4/16	Balance as at 31/3/17	Service Balances	5,024,743	1,733,522	Schools Balances	2,306,721	275,087	SingleStatus/Equal Pay	7,548,813	4,928,687	Investment & Organisational Change	1,268,651	606,132	Budget Strategy - General Reserves	4,460,118	2,884,741	Benefits Equalisation	192,699	85,070	County Elections	193,857	167,167	Supporting People	832,163	386,638	Community Equipment Store	0	0	Unitary Development Plan (UPP)	646,982	464,000	Building Control	90,611	151,249	Waste Disposal	370,859	310,433	Countryside	0	0	Flintshire Enterprise Ltd	72,892	72,892	Third Party Claims	0	0	Design Fees	200,000	200,000	Winter Maintenance	250,000	250,000	Car Parking	86,284	0	Insurance Funds	1,221,558	1,405,000	Cash Receipting Review	241,295	0	Grants & Contributions	2,737,077	1,040,470	<b>Total</b>	<b>27,745,323</b>	<b>15,588,601</b>
Reserve Type	Balance as at 1/4/16	Balance as at 31/3/17																																																																						
Service Balances	5,024,743	1,733,522																																																																						
Schools Balances	2,306,721	275,087																																																																						
SingleStatus/Equal Pay	7,548,813	4,928,687																																																																						
Investment & Organisational Change	1,268,651	606,132																																																																						
Budget Strategy - General Reserves	4,460,118	2,884,741																																																																						
Benefits Equalisation	192,699	85,070																																																																						
County Elections	193,857	167,167																																																																						
Supporting People	832,163	386,638																																																																						
Community Equipment Store	0	0																																																																						
Unitary Development Plan (UPP)	646,982	464,000																																																																						
Building Control	90,611	151,249																																																																						
Waste Disposal	370,859	310,433																																																																						
Countryside	0	0																																																																						
Flintshire Enterprise Ltd	72,892	72,892																																																																						
Third Party Claims	0	0																																																																						
Design Fees	200,000	200,000																																																																						
Winter Maintenance	250,000	250,000																																																																						
Car Parking	86,284	0																																																																						
Insurance Funds	1,221,558	1,405,000																																																																						
Cash Receipting Review	241,295	0																																																																						
Grants & Contributions	2,737,077	1,040,470																																																																						
<b>Total</b>	<b>27,745,323</b>	<b>15,588,601</b>																																																																						

1.22	<p><b>Housing Revenue Account</b></p> <p>The 2015/16 Outturn Report to Cabinet on 19 July 2016 showed an un-earmarked closing balance at the end of 2015/16 of £1.178m.</p>
1.23	<p>The 2016/17 budget for the HRA is £31.979m which includes a movement of £0.080m from reserves.</p>
1.24	<p>The Month 9 monitoring for the HRA is projecting in year expenditure to be £0.037m higher than budget and a closing balance as at 31 March 2017 of £1.061m, which at 3.3% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	<p>The Revenue Budget Monitoring Report reflects the planned use of the financial resources of the Council for the current financial year and details the variations in the first eight months and the risks as known.</p>

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	<p>None required.</p>

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	<p><b>Achievement of Planned In-Year Efficiencies</b></p> <p>The Council sets a challenging level of specified efficiencies to be achieved in-year as part of its approach to annual budget planning. These efficiencies are generated from the three year service portfolio business plans and from corporate financial planning. In recent years the level of efficiency achievement has averaged at around 85%. The current assessment of the efficiency profile for 2016/17 shows that 89% of the efficiencies would be achieved. There is an ongoing risk that the shortfall cannot be mitigated other than by drawing on temporary funding from the Contingency Reserve. There is a further risk that any ongoing under-achievement of efficiencies will have a recurring and negative impact on the 2017/18 budget as an efficiency target deficit would in effect be carried forward. Risk status: stable/green risk for 2016/17 only.</p>
4.02	<p><b>Historic Child Abuse Settlements</b></p> <p>A number of historic child abuse cases, which predate the existence of Flintshire County Council, have been settled this financial year. There are still a number of outstanding cases to be settled and it is not possible to estimate the full financial impact of these at this stage. The financial provision set aside may not prove to be sufficient to meet the total liabilities</p>

	<p>of all cases when closed. Within the month 3 report a contribution from the contingency reserve was agreed to meet the settlement costs paid along with any future costs. The settlement costs incurred to date total £0.146m. Risk status: stable/green risk for 2016/17.</p>
4.03	<p><b>Orphaned Industrial Site at Sandycroft</b></p> <p>The contract for the removal of all Isosorbide Dinitrate (ISDN) chemical deposits, site cleansing and site close-down has come to a conclusion. Additional contracted work to remove deposits of contaminated waste discovered in the sump and tank systems on site will be completed by the end of February. Negotiations for the immediate disposal of the site, following completion of the additional contracted work, are well advanced Risk status: stable/amber risk.</p>
4.04	<p><b>Procurement of Transport Services</b></p> <p>As explained in 1.03 there is an in-year budget risk of additional procurement costs for local transport services. The Welsh Government has offered a provisional one off grant award to the three North East Wales local authorities for 2016/17 only. An allocation of up to £0.200m from this grant has been assumed however negotiations are ongoing with the neighbouring authorities on grant distribution. Risk status: stable/green for 2016/17. Unstable/red risk for future years.</p>
4.05	<p><b>Out of County Placements</b></p> <p>The risk is the volatility in demand and the impacts on service costs which cannot be predicted with any certainty. There is always a risk of significant variances occurring although this area continues to be closely monitored. The main influence on this increase is the new Social Services and Wellbeing Act which has led to a higher number of court outcomes and placements has increased the financial pressure on this service area. Legal and Social Service Managers are working together to make a compelling case for alternative care arrangements to placements at forthcoming court cases, and so reduce the level of Out of County placement being made. Risk status: unstable/red risk.</p>
4.06	<p><b>Children's Services</b></p> <p>Children's Services are experiencing high levels a demand including child protection work and the need for intensive support for older children with complex needs. Capacity has been increased to help respond to increasing service demand and to provide a greater range of targeted community support, the month 9 report contains a recommended realignment of budget from within Social Services as potential mitigation of this risk. Risk status: unstable/amber risk.</p>



<b>5.00</b>	<b>APPENDICES</b>
5.01	<p>Appendix 1: Council Fund – Movement in Variances from Month 8</p> <p>Appendix 2: Council Fund – Budget Variances</p> <p>Appendix 3: Council Fund – Programme of Efficiencies</p> <p>Appendix 4: Council Fund – Movement on Un-earmarked Reserves</p> <p>Appendix 5: Housing Revenue Account Variances</p>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>None required</p> <p><b>Contact Officer:</b> Sara Dulson  <b>Telephone:</b> 01352 702287  <b>E-mail:</b> <a href="mailto:sara.dulson@flintshire.gov.uk">sara.dulson@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Budget:</b> a statement expressing the Council’s policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p><b>Council Fund:</b> the fund to which all the Council’s revenue expenditure is charged.</p> <p><b>Financial Year:</b> the period of twelve months commencing on 1 April.</p> <p><b>Housing Revenue Account:</b> the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.</p> <p><b>Projected Outturn:</b> projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.</p> <p><b>Reserves:</b> these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.</p> <p><b>Revenue:</b> a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.</p> <p><b>Underspend:</b> when referring to expenditure the actual expenditure incurred is less than budget. Shown as a –ve. When referring to income</p>

the actual income achieved exceeds the budget. Shown as a –ve.

**Variance:** difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.

**Virement:** the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.

**Medium Term Financial Strategy:** a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.

**Minimum Revenue Provision (MRP):** A charge made to the Council Fund to repay borrowing taken out for capital expenditure. Authorities must determine their own prudent MRP charge each year, taking into consideration statutory guidance issued by the Government.