



CABINET

Date of Meeting	19 November 2019
Report Subject	Revenue Budget Monitoring 2019/20 (Month 6)
Cabinet Member	Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This monthly report provides the latest detailed revenue budget monitoring position for 2019/20 for the Council Fund and Housing Revenue Account for the financial year and presents the position, based on actual income and expenditure, as at Month 6. The report projects how the budget would stand at the close of the financial year if all things remained unchanged.

The projected year end position, without new actions to reduce cost pressures and/or improve the financial return on efficiency planning and cost control is:

Council Fund

- An operating deficit of £2.698m which is a favourable movement of £0.344m from the deficit figure of £3.042m reported at Month 5.
- A projected contingency reserve balance as at 31 March 2020 of £2.171m

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £0.010m higher than budget which is a positive movement of £0.098m from the deficit figure of £0.108m reported at Month 5
- A projected closing balance as at 31 March 2020 of £1.313m

As reported within the Month 5 Report and to assist with mitigating the overall projected overspend the following measures were introduced at Month 6:-

- 1). All non-essential spend has been reviewed and challenged with a view to ceasing/delaying where able and

2) Further Portfolio Management Team challenge of recruitment to vacancies i.e. ceasing/delaying.

This has resulted in identifying a one-off delay in spend of -£0.530m at Month 6 which has helped to reduce the overall financial overspend position. However, additional demand pressures at Month 6 totalling a net £0.186m have negatively affected the overall position, hence the net overall reduction in variance of £0.344m.

Engagement by Portfolio Budget Holders with Finance Teams has been good so far. However, work will continue into Month 7 and beyond with the same rigour and challenge in an attempt to further improve the position.

RECOMMENDATIONS

1	To note the overall report and the projected Council Fund contingency sum as at 31 st March 2020.
2	To note the projected final level of balances on the Housing Revenue Account (HRA).

REPORT DETAILS

1.00	EXPLAINING THE MONTH 6 POSITION
1.01	<p>Council Fund - Projected Position</p> <p>The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning, is as follows:</p> <ul style="list-style-type: none"> • An operating deficit of £2.698m • A projected contingency reserve balance as at 31 March 2020 of £2.171m <p>To assist with mitigating the overall projected overspend the following measures have been introduced:-</p> <ol style="list-style-type: none"> 1) All non-essential spend is being reviewed and challenged with a view to ceasing/delaying where able and 2) Further Portfolio Management Team challenge of recruitment to vacancies i.e. ceasing/delaying <p>The outcome of this initial work is shown within the Month 6 Budget Monitoring Report and will continue as part of the robust challenge of the future monthly monitoring position.</p>

1.02	<p>Table 1. Projected Position by Portfolio</p> <p>The table below shows the projected position by portfolio:</p> <table border="1" data-bbox="320 414 1332 1366"> <thead> <tr> <th data-bbox="320 414 772 607">Portfolio/Service Area</th> <th data-bbox="772 414 968 607">Approved Budget £m</th> <th data-bbox="968 414 1163 607">Projected Outturn £m</th> <th data-bbox="1163 414 1332 607">In-Year Over / (Under) spend £m</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 607 772 663">Social Services</td> <td data-bbox="772 607 968 663">65.962</td> <td data-bbox="968 607 1163 663">66.032</td> <td data-bbox="1163 607 1332 663">0.070</td> </tr> <tr> <td data-bbox="320 663 772 719">Out of County Placements</td> <td data-bbox="772 663 968 719">9.033</td> <td data-bbox="968 663 1163 719">11.254</td> <td data-bbox="1163 663 1332 719">2.221</td> </tr> <tr> <td data-bbox="320 719 772 775">Education & Youth</td> <td data-bbox="772 719 968 775">8.519</td> <td data-bbox="968 719 1163 775">8.194</td> <td data-bbox="1163 719 1332 775">(0.325)</td> </tr> <tr> <td data-bbox="320 775 772 831">Schools</td> <td data-bbox="772 775 968 831">91.946</td> <td data-bbox="968 775 1163 831">91.946</td> <td data-bbox="1163 775 1332 831">0.000</td> </tr> <tr> <td data-bbox="320 831 772 887">Streetscene & Transportation</td> <td data-bbox="772 831 968 887">30.335</td> <td data-bbox="968 831 1163 887">31.821</td> <td data-bbox="1163 831 1332 887">1.487</td> </tr> <tr> <td data-bbox="320 887 772 943">Planning & Environment</td> <td data-bbox="772 887 968 943">5.907</td> <td data-bbox="968 887 1163 943">5.931</td> <td data-bbox="1163 887 1332 943">0.024</td> </tr> <tr> <td data-bbox="320 943 772 999">People & Resources</td> <td data-bbox="772 943 968 999">4.451</td> <td data-bbox="968 943 1163 999">4.536</td> <td data-bbox="1163 943 1332 999">0.085</td> </tr> <tr> <td data-bbox="320 999 772 1055">Governance</td> <td data-bbox="772 999 968 1055">9.177</td> <td data-bbox="968 999 1163 1055">9.228</td> <td data-bbox="1163 999 1332 1055">0.051</td> </tr> <tr> <td data-bbox="320 1055 772 1111">Strategic Programmes</td> <td data-bbox="772 1055 968 1111">5.272</td> <td data-bbox="968 1055 1163 1111">5.273</td> <td data-bbox="1163 1055 1332 1111">0.000</td> </tr> <tr> <td data-bbox="320 1111 772 1167">Housing & Assets</td> <td data-bbox="772 1111 968 1167">15.137</td> <td data-bbox="968 1111 1163 1167">14.739</td> <td data-bbox="1163 1111 1332 1167">(0.398)</td> </tr> <tr> <td data-bbox="320 1167 772 1223">Chief Executive</td> <td data-bbox="772 1167 968 1223">2.801</td> <td data-bbox="968 1167 1163 1223">2.660</td> <td data-bbox="1163 1167 1332 1223">(0.141)</td> </tr> <tr> <td data-bbox="320 1223 772 1279">Central & Corporate Finance</td> <td data-bbox="772 1223 968 1279">22.810</td> <td data-bbox="968 1223 1163 1279">22.433</td> <td data-bbox="1163 1223 1332 1279">(0.377)</td> </tr> <tr> <td data-bbox="320 1279 772 1366">Total</td> <td data-bbox="772 1279 968 1366">271.350</td> <td data-bbox="968 1279 1163 1366">274.048</td> <td data-bbox="1163 1279 1332 1366">2.698</td> </tr> </tbody> </table>	Portfolio/Service Area	Approved Budget £m	Projected Outturn £m	In-Year Over / (Under) spend £m	Social Services	65.962	66.032	0.070	Out of County Placements	9.033	11.254	2.221	Education & Youth	8.519	8.194	(0.325)	Schools	91.946	91.946	0.000	Streetscene & Transportation	30.335	31.821	1.487	Planning & Environment	5.907	5.931	0.024	People & Resources	4.451	4.536	0.085	Governance	9.177	9.228	0.051	Strategic Programmes	5.272	5.273	0.000	Housing & Assets	15.137	14.739	(0.398)	Chief Executive	2.801	2.660	(0.141)	Central & Corporate Finance	22.810	22.433	(0.377)	Total	271.350	274.048	2.698
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1.03	<p>The reasons for the favourable movement of £0.344 from the previous month are shown in Appendix 1. The reasons for the overall projected variances are summarised within Appendix 2 showing the detail of all variances over £0.050m and a summary of minor variances for each portfolio. This provides the overall position for each portfolio and the overall position for the Council Fund.</p>																																																								
1.04	<p>Enhancements to the format of the Revenue Budget monitoring report have been made which aim to highlight the following key information for Members:</p> <ul style="list-style-type: none"> • The key major variances to bring to the attention of Cabinet • The tracking of in year financial risks • Potential MTFs Impact of the current in year monitoring position 																																																								
	<p>Major Variances to highlight this Month</p>																																																								
1.05	<p>Out of County Placements</p>																																																								

	<p>At this stage in the financial year, there is a projected overspend of £2.221m for the provision of Out of County Placements.</p> <p>The Council included an additional amount of £1.655m in the 2019/20 budget to reflect the number of clients and care packages at that particular time. However, in the early part of 2019/20 there has been an increase in the number of high cost placements.</p> <p>This has created a projected overspend of £1.655m in Children’s Social Services and a projected overspend of £0.567m within Education & Youth Inclusion Services. This is based on current clients and their assessed need.</p> <p>The projection includes externally provided placement costs for over 150 children, some of which lie within Flintshire’s geographic boundary.</p> <p>A Report on ‘Improving the in-house offer for Out of County Placements for Children’ taken to the Joint Education & Youth and Social & Health Care Overview and Scrutiny Committees in July, 2019 outlined the Council’s strategy and commitment in ensuring safe, high quality, support for Children’s Services.</p> <p>A separate report was also presented to Corporate Resources Overview and Scrutiny Committee on the key issues and latest position at the meeting on 19 September.</p>
1.06	<p>Street Scene and Transportation</p> <p>Transportation and Logistics - £1.195m Overspend</p> <p>The pressure in school transport costs totalling £1.240m is as a result of several factors:-</p> <ul style="list-style-type: none"> - The effect of non-statutory school transport arrangements and ongoing transport policy anomalies; - An increase in mainstream secondary education pupil transport and Special Educational Needs (SEN) pupil transport, both in-County and for Out of County placements, along with increases in the number of school escorts to accompany SEN pupils and in the number of single occupancy routes; - Transporting enrolment cohort to Connah’s Quay High School and placing duplicate vehicles on public bus services as a response to non-eligible pupil displacement; - An increase in number of school days for 2019/20 <p>Work is in hand to try to contain this figure within a cost pressure range which had an estimated ceiling of £0.800m.</p> <p>Service Delivery – £0.129m Overspend</p> <p>Following the extreme weather event during June 2019, the service has incurred additional revenue pressures from responding and resolving flooding issues across the County. The network damage was widespread</p>

	<p>and included road foundations being undermined, particularly on roads adjacent to water courses, and road surfaces being lifted by inspection covers, due to the pressure created by the sheer volume of water within the drainage system. The costs include the additional staffing costs towards responding and repairing the highway along with costs of plant and materials. A claim to Welsh Government has been submitted for these additional costs, which is currently awaiting confirmation on eligibility and award of funding.</p> <p>Car Park Income - £0.180m Overspend</p> <p>The pressure is based on the average shortfall in income against monthly projections for each town using the first full ten months of implementation (received in 2018/19) of the increased tariff charges and projected for 2019/20. More recently, a large section of car parking at Flint Retail Park has been closed for development, which will result in a displacement of vehicles into Council car parks providing an increase in car parking income.</p> <p>Other cumulative variances across the portfolio total £0.075m, which includes increased transport provision to Social Services service users of £0.048m.</p> <p>A separate report was presented to Corporate Resources Overview and Scrutiny Committee on the key issues and latest position at the meeting on 19 September.</p>
1.07	<p>Social Services</p> <p>The overall position for Social Services is a projected overspend of £0.070m.</p> <p>There are however some significant variances both adverse and favourable that underpin this position due to overspends within Children's Services and net underspends within Adults Services.</p> <p>All details of variances are provided in Appendix 2 and consideration has been given to further realignment of budgets within the Portfolio to address changes in service delivery.</p> <p><u>Additional Winter Pressures Grant</u> Welsh Government (WG) have confirmed additional funding of £17m across Wales to enable delivery over the 2019/20 winter for Local Health Boards, Local Authorities and the Welsh Ambulance Service to collaborate to deliver action against a small number of key themes to aid resilience across health and social care services over the winter period. Regional Partnership Boards are seen (by WG) as the key vehicle to support integrated planning and delivery and that allocation of the funding will be undertaken by these Boards. More clarity on this funding will be provided in future budget reports once further details emerge of the level of funding that is available and what services this will specifically target and support within the Social Care sector.</p>
1.08	Central & Corporate Finance

	<p>Pension; £0.784m underspend</p> <p>There was a significant underspend on the pension contribution account in 2018/19 with £0.600m contributing towards the 2019/20 budget. Early analysis suggests that there is a further efficiency in year.</p> <p>There are various factors affecting the position including the financial impact of the transfer of various services being less than anticipated and the recovery of a higher level of contribution to the deficit due to the increased pay award. The position is under review as part of the current work on the 2020/21 budget.</p> <p>Income Target; £0.150m un-achieved</p> <p>The Council is continuing to review its fees and charges and to investigate new sources of income. A report to Cabinet in July recommended a process for the annual review of fees and charges with the aim of achieving full cost recovery wherever possible. It is likely that the position will improve in-year and this will be reported on in future monitoring reports.</p>
1.09	<p>Tracking of In-Year Risks and Emerging Issues</p> <p>At the time of setting the Budget for 2019/20 a number of significant risks were identified and an update is provided below.</p>
1.10	<p>Out of County Placements</p> <p>A key risk identified at the time of setting the 2019/20 budget was the general rising costs of social care and the upward trend in the number of cases of Out of County placements across Wales. The main influence on this increase is the Social Services and Wellbeing Act which has led to a higher number of court outcomes and placements which has increased the financial pressure on this service area.</p> <p>The impact of the current pressures on Out of County Placements have been included in the Councils updated forecast for 2020/21.</p>
1.11	<p>School Transport</p> <p>Managing the increasing demand into future years in mainstream secondary education pupil transport and Special Educational Needs (SEN) pupil transport, both in-County and for Out of County placements, along with further potential increases in the number of school escorts to accompany SEN pupils and the number of single occupancy routes;</p>
1.12	<p>Achievement of Planned In-Year Efficiencies</p> <p>The 2019/20 budget contains £6.939m of specific efficiencies which are tracked and monitored. In 2018/19 the level of efficiency achievement was 98% which was an improvement on the 94% achieved during the previous</p>

	<p>year. The Council aims to achieve a 95% rate in 2019/20 as reflected in the MTFS KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2019/20 shows that £6.197m or 90% of the efficiencies will be achieved.</p> <p>However when taking into account the decision of Cabinet to re-phase the efficiency from the Aura Subsidy this changes the achievement rate to 91%.</p> <p>The risk remains that any ongoing under-achievement of efficiencies will have a recurring and negative impact on the 2020/21 budget. Further details on the current status on efficiencies can be seen in Appendix 3 with the overall impact in relation to any impact for 2020/21 being reviewed as part of the ongoing work on the MTFS.</p>																								
1.13	<p>Income</p> <p>The Council introduced its Income Strategy in late 2017. A target of £0.150m remained to be achieved from the identification of new sources of income and the review of fees and charges. The Council now has additional capacity to pursue this strategy with a number of potential opportunities being considered as part of business planning and annual review.</p>																								
1.14	<p>Recycling Income</p> <p>The market rate for income received from recycling plastic, paper and card are extremely volatile and can fluctuate rapidly. Recycling income has reduced over recent years and there is always a risk that the market rates may reduce further.</p>																								
1.15	<p>Schools Pressures</p> <p>In recent years there has been considerable pressure on secondary school budgets. 7 out of 11 secondary schools in Flintshire carried forward deficits into 2019/20 and a summary is provided below. Schools are required to submit a licensed deficit application to the Council and this is reviewed by the Chief Officer, Education & Youth and the Section 151 Officer.</p> <table border="1" data-bbox="400 1570 1238 1928"> <thead> <tr> <th>School</th> <th>Deficit Balance brought forward</th> <th>% of budget</th> </tr> </thead> <tbody> <tr> <td>Connah's Quay High School</td> <td>-34,477</td> <td>-0.8%</td> </tr> <tr> <td>St. Richard Gwyn</td> <td>-508,276</td> <td>-16.2%</td> </tr> <tr> <td>Ysgol Treffynnon</td> <td>-646,173</td> <td>-29.5%</td> </tr> <tr> <td>Castell Alun High School</td> <td>-8,674</td> <td>-0.2%</td> </tr> <tr> <td>Ysgol Maes Garmon</td> <td>-173,177</td> <td>-6.7%</td> </tr> <tr> <td>Argoed High School</td> <td>-56,000</td> <td>-2.2%</td> </tr> <tr> <td>St. David's High School</td> <td>-452,609</td> <td>-23.9%</td> </tr> </tbody> </table> <p>This position is being reviewed by the Council on a school by school basis due to concerns about the deteriorating position. The issue has also been</p>	School	Deficit Balance brought forward	% of budget	Connah's Quay High School	-34,477	-0.8%	St. Richard Gwyn	-508,276	-16.2%	Ysgol Treffynnon	-646,173	-29.5%	Castell Alun High School	-8,674	-0.2%	Ysgol Maes Garmon	-173,177	-6.7%	Argoed High School	-56,000	-2.2%	St. David's High School	-452,609	-23.9%
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	<p>highlighted by Estyn as a specific recommendation in its recent inspection report.</p>
1.16	<p>Other In-Year Issues</p> <p>Inflation</p> <p>Included within the 2019/20 budget are provision for Non Standard Inflation fuel (£0.034m), Energy (£0.329m) and NDR/Price (£0.204m). As in previous years, these amounts are held centrally until later in the year when actual cost pressures are known. It is currently assumed that all of these allocations will be required in 2019/20 but this will be kept under review throughout the financial year.</p> <p>In previous years, the Council has had to make a payment associated with the Carbon Reduction Scheme. This scheme has now ended and the impact of this is likely to result in higher energy charges for the Council. The funding associated with this has now been added to the central inflation budget and will be allocated according to need</p>
1.17	<p>MTFS Impact</p> <p>An initial projection for the MTFS in April showed a budget gap of £13.3m. This has since been revised following review of the in-year position to take into account the latest intelligence on pay and other pressures which has led to an increase in the budget gap to £16.2m.</p> <p>The most significant increase in the budget gap is due to the rise in demand and complexity of Out of County Placements for which we are currently reporting an overspend of £2.221m within this report.</p> <p>The full Cabinet report on the MTFS can be accessed via the link in 6.01.</p> <p>Further Risks for MTFS</p> <p>Continual review of the in-year position will be undertaken throughout the year with revisions to the forecast considered as we move through the budget process for 2020/21</p> <p>All Portfolios will continue to consider their financial position, the risks within their service and the impacts on the Medium Term on a monthly basis as part of their Portfolio Management Team meetings.</p>
1.18	<p>Reserves and Balances</p> <p>Un-earmarked Reserves</p> <p>The 2018/19 outturn reported to Cabinet in July showed un-earmarked reserves at 31 March 2019 (above the base level of £5.769m) of £8.252m.</p> <p>As approved in the 2019/20 budget an amount of £2.221m was utilised as part of the strategy to balance the budget. In addition an amount of</p>

	£0.062m was approved to operate a Sustainable Drainage System (SuDS) Approving Body (SAB), £1.000m for investment in change and an amount of £0.100m for the ongoing resourcing of the Victim Contact Team within Social Services.
1.19	Taking into account the current projected overspend at this stage, and previously agreed allocations, the balance on the Contingency Reserve at 31 March 2020 is projected to be £2.171m as detailed in Appendix 4.
1.21	The projected level of school balances are currently being reviewed as part of the first detailed monitoring of the new academic year. At this stage there is the potential for a significant reduction in overall balances. However, in the past schools have benefitted from the notification in-year of external grant funding opportunities. An update will be provided in future monitoring reports.
1.22	Housing Revenue Account The 2018/19 Outturn Report to Cabinet on 16 July 2019 showed an un-earmarked closing balance at the end of 2018/19 of £1.165m and a closing balance of earmarked reserves of £1.056m.
1.23	The 2019/20 budget for the HRA is £36.239m which includes a movement of £0.158m to reserves.
1.24	The monitoring for the HRA is projecting in year expenditure to be £0.010m greater than budget and a closing un-earmarked balance as at 31 March 2020 of £1.313m, which at 3.65% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.
1.25	The budget contribution towards capital expenditure (CERA) is £13.717m.

2.00	RESOURCE IMPLICATIONS
2.01	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 four months and the risks as known.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	The Revenue Budget Monitoring Report reflects the three categories of risks covered in the main section of the report. These are in-year risks and emerging issues, achievement of planned in-year efficiencies and other tracked risks. These risks are included from paragraph 1.09 to 1.17.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None required

5.00	APPENDICES
5.01	Appendix 1: Council Fund – Movement in Variances from Month 5 Appendix 2: Council Fund – Budget Variances Appendix 3: Council Fund – Programme of Efficiencies Appendix 4: Council Fund – Movement on Un-earmarked Reserves Appendix 5: Housing Revenue Account Variances
6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Medium Term Financial Strategy and Budget 2020/21 http://committeemeetings.flintshire.gov.uk/ieListDocuments.aspx?CId=391&MId=4453&Ver=4&LLL=0
7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Dave Ledsham (Strategic Finance Manager) Telephone: 01352 704503 E-mail: dave.ledsham@flintshire.gov.uk
8.00	GLOSSARY OF TERMS These are provided corporately on the Infonet (link) and maintained by the Executive Office
8.01	Budget: 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. Council Fund: the fund to which all the Council’s revenue expenditure is charged. Financial Year: the period of twelve months commencing on 1 April. Housing Revenue Account: 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. Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date. Reserves: 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>Revenue: 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>Underspend: when referring to expenditure the actual expenditure incurred is less than budget. When referring to income the actual income achieved exceeds the budget.</p> <p>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.</p> <p>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.</p> <p>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.</p>
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Budget Monitoring Report
Council Fund Variances

MONTH 6 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Localities	-0.085	Delayed recruitment to cover two maternity leave vacancies £0.018m from non-essential spend review. Delayed social prescribing spend £0.027m from non-essential spend review. Direct payments have reduced by £0.011m. £0.031m reduction in Residential and Nursing care costs due to demand.
Resources & Regulated Services	0.040	External funding income had previously been over estimated.
Minor Variances	0.026	
Adults of Working Age		
Resources & Regulated Services	0.133	Due to an agreed inflationary uplift for a specialist provider and transferring eligible care package costs from Disability Services.
Disability Services	-0.043	Net movement due to a review of eligible care package costs which can be transferred from Childrens Services and care package costs which are able to be reported within Resources and Regulated Services.
Minor Variances	0.008	
Children's Services		
Professional Support	-0.079	A review of Childrens ages within Childrens Disability Service has resulted in £0.050m of Direct Payment care packages transferring to the Adults Disability service. Additional ICF funding has been achieved which is now funding a post.
Minor Variances	0.031	
Safeguarding & Commissioning		
Business Systems & Financial Assessments	-0.053	As a result of the challenge of non-essential spend, costs of £0.050m for software license, support and maintenance can be delayed until 2020/21.
Minor Variances	-0.001	
Total Social Services (excl Out of County)	-0.023	
Out of County		
Children's Services	0.021	
Education & Youth	0.092	Net impact of new placements, less ended placements and a number of rate changes
Total Out of County	0.114	
Education & Youth		
Inclusion & Progression	-0.078	£0.045m in year savings identified through the challenge of non-essential spend
Integrated Youth Provision	-0.085	£0.064m is due to the challenge of non essential spend and the remaining -£0.021m is due to other minor movements
School Improvement Systems	-0.041	In year savings identified as part of the challenge of non-essential spend found in School Improvement and Early Entitlement
Minor Variances	-0.002	
Total Education & Youth	-0.206	
Schools	-0.000	
Streetscene & Transportation		
Transportation	-0.093	Validation of forecasting methodology for School Transport following retendering of high cost services and route review. Further route reviews and retendering programme is currently being undertaken with a view to securing additional efficiencies.
Other Minor Variances	-0.040	
Total Streetscene & Transportation	-0.113	
Planning, Environment & Economy		
Development	-0.023	Vacant Buiding Control Officer post
Minor Variances	-0.007	
Total Planning & Environment	-0.030	
People & Resources		
HR & OD	-0.002	
Corporate Finance	-0.013	
Total People & Resources	-0.015	
Governance		
ICT	0.017	Alterations and Improvements

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Revenues	-0.021	Early indication of a potential surplus on the Council Tax Collection Fund
Minor Variances	0.005	
Total Governance	0.001	
Strategic Programmes		
Public Libraries & Arts, Culture & Events		
Leisure		
Total Strategic Programmes	0.000	
Housing & Assets		
Property Asset And Development	-0.025	-£0.020m is attributable to the challenge of non-essential spend relating to consultancy costs. The remaining -£0.005m is due to other minor variances.
Caretaking & Security	-0.049	All due to the the challenge of non-essential spend and relating to salary savings -£0.034m and R and M of buildings -£0.015m.
Minor Variances	-0.025	
Total Housing & Assets	-0.098	
Chief Executive's	0.012	
Central & Corporate Finance	0.013	
Grand Total	-0.345	

Budget Monitoring Report
Council Fund Variances

MONTH 6 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Social Services						
Older People						
Localities	18.814	18.080	-0.734	-0.649	Residential and Nursing Care is projecting a £0.494m underspend due to fluctuation in demand for residential and nursing care placements as well as increases to capital limits. Staff budgets are underspending within Intake/First Contact and Localities Teams, not all staff are currently top of grade and there are in-year savings due to short term vacancies.	ICF Grant funding is used to fund residential care to reduce the amount of time people spend in hospital. If this funding is fully spent duuring the year sliippage on the residential care budget is requiredto continue minimising hospital stays.
Reablement Services	0.542	0.445	-0.096	-0.120	The service is expected to underspend due to in-year savings from vacancies.	
Resources & Regulated Services	7.018	7.671	0.653	0.613	Council provided residential care is £0.449m overspent due to relief and agency cover. Relief and agency staff are requird to maintain the mandatory level of staff within the residential homes, however the amount of budget to fund this is low and does not contain contingencies for sickness absences. There are also pressures from buildings expenditure such as repairs and maintenance.	
Minor Variances	0.717	0.723	0.006	26.753		
Adults of Working Age						
Resources & Regulated Services	24.170	23.639	-0.531	-0.664	This is due to a combination of a decrease in high cost placements at the end of 2018/19 with the subsequent full year financial impact showing in 2019/20 and inflation provision for care provider fee increases not automatically passing to all providers and in some cases are only considered upon request.	This service area is subject to changes in demand for services. Thee are always a number of potential service users which may require services in the future. Although these service users are known to us at this time the most appropriate care package has not yet been determined and full costs associated for their care cannot yet be estimated and included within this months financial projections. There also remains potential for providers to request increases in their fees and the Council is currently negotiating with some specialist providers over proposed uplifts.
Transition & Disability Services	0.765	0.704	-0.061	-0.073	The service is expected to underspend due to all staff at top of grade and one off in-year vacancy savings.	
Residential Placements	1.241	1.717	0.476	0.476	The overspend is because of the number of residential placements currently funded.	This service is a demand led service and can be volatile.
Professional Support	0.821	0.760	-0.062	-0.076	Salary underspends due to staff not being top of scale and in-year vacancy savings.	
Minor Variances	2.957	2.887	-0.070	-0.009	Minor variances across the portfolio below £0.050m	
Children's Services						

Budget Monitoring Report
Council Fund Variances

MONTH 6 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Family Placement	2.564	2.889	0.325	0.319	The overspend is due to current demands on the service from the number of fostering placements, which in some cases avoid making an Out of County placement. The main pressure areas and payments for foster care, foster agencies and special guardianship payments.	
Family Support	0.371	0.521	0.150	0.136	This is due to the number of court directed contact sessions which require support workers to attend. Sessional workers were historically used, however the need to use sessional workers has increased to a level whereby, under employment regulations, sessional workers are required to be issued fixed term contracts.	Parts of this service are being reviewed with a view to making it more cost efficient.
Legal & Third Party	0.178	0.477	0.299	0.288	Legal costs are overspent due to the number of cases going through the courts and the use of external legal professionals. Direct payments have recently seen an increase in demand.	
Professional Support	5.190	5.262	0.072	0.151	To support adequate levels of child protection the established staffing structure needs to be maintained at the required standard as much as possible. Vacancies are therefore minimised and challenges to recruitment leads to the use of agency staff, this leads to an increase in costs as agency rate isd higher than non-agency staff. The use of agency staff is monitored and kept to a minimum as much as possible but it is not possible to avoid altogether.	
Minor Variances	1.125	1.152	0.027	0.027		
<i>Safeguarding & Commissioning</i>						
Charging Policy income	-2.923	-3.096	-0.174	-0.183	Charging policy income is expected to exceed the budgeted amount due to increases in the non-residential care maximum weekly charge cap and an increase to the base number of service users who contribute to their care.	
Business Support Service	1.235	1.128	-0.107	-0.101	There are a number of short term vacancy savings and some posts currently occupied by staff who are not top of grade.	
Safeguarding Unit	0.923	0.844	-0.079	-0.084	The underspend is due to a number of short term vacancy savings and some posts currently occupied by staff who are not top of grade.	
Management & Support	-1.929	-1.730	0.198	0.193	There is a shortfall from the assumed proportion of grant allocations announced by Welsh Government which were included within the 2019/20 budget. The total shortfall across the three grants is £0.283m, although some of this is partly mitigated by one off refunds from the Regional Collaboration Unit.	
Vacancy Management	-0.080	-0.304	-0.224	-0.224	Short term vacancy avings transferred from across the portfolio.	

Budget Monitoring Report
Council Fund Variances

MONTH 6 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Minor Variances	2.262	2.264	0.002	0.068		
Total Social Services (excl Out of County)	65.962	66.032	0.070	0.093		
Out of County						
Children's Services	5.288	6.942	1.655	1.633	The overspend is influenced by a significant increase in the number of placements and the full year impacts of new placements which emerged during 2018/19.	A threefold approach to mitigation by :- 1) - direct action e.g Commissioning Practice 2) Expenditure controls within the same service or portfolio 3) After exhaustion of 1 and 2, consider how to effect corporate level mitigation
Education & Youth	3.745	4.311	0.567	0.474	The overspend is influenced by a significant increase in the number of placements and the full year impacts of new placements which emerged during 2018/19.	A threefold approach to mitigation by :- 1) - direct action e.g Commissioning Practice 2) Expenditure controls within the same service or portfolio 3) After exhaustion of 1 and 2, consider how to effect corporate level mitigation
Total Out of County	9.033	11.254	2.221	2.108		
Education & Youth						
Integrated Youth Provision	1.290	1.208	-0.083	0.002	Underspends across the whole of the service identified through the challenge of non-essential spend	
School Improvement Systems	1.716	1.579	-0.137	-0.097	In year savings identified through the challenge of non-essential spend across School Improvement and Early Entitlement	
Minor Variances	5.513	5.408	-0.104	-0.024	Minor variances across the portfolio below £0.050m	
Total Education & Youth	8.519	8.194	-0.325	-0.119		
Schools	91.946	91.946	-0.000	0.000		
Streetscene & Transportation						

Budget Monitoring Report
Council Fund Variances

MONTH 6 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Service Delivery	8.536	8.665	0.129	0.109	Following the extreme weather event during June 2019, the service has incurred additional revenue pressures from responding and resolving flooding issues across the County. The network damage was widespread and included road foundations being undermined, particularly on roads adjacent to water courses, and road surfaces being lifted by inspection covers, due to the pressure created by the sheer volume of water within the drainage system. The costs include the additional staffing costs towards responding and repairing the highway along with costs of plant and materials. A claim to Welsh Government has recently been notified as unsuccessful and the service is now working to mitigate these costs. Potential total cost up to £0.180m. The flooding has also impacted the capital programme creating an additional pressure of £0.350m for highway repairs.	
Transportation	8.598	9.793	1.195	1.288	The pressure in school transport costs are as a result of several factors across the service. Effect of non-statutory school transport arrangements and delay in implementing policy on removing historic transport anomalies. Increase in mainstream secondary education pupil transport and Special Educational Needs (SEN) pupil transport, both in County and out of County placements, along with an increase in number of school escorts to accompany SEN pupils and growth in number of single occupancy routes. Transporting enrolment cohort to Connahs Quay High School and placing duplicate vehicles on public bus services as a response to non-eligible pupil displacement. There is also an increase in number of school days in 2019-20. The Transportation service have successfully reviewed high cost routes and re-rendered contracts where a more favourable rate may be secured. The impact of this to date is a reduction in the forecast position from £1.238m variance figure reported last month to £1.195m and work is ongoing to mitigate this further. Increased transport provision to Social Services of £0.048m. The Transportation service are looking to mitigate this pressure through a route optimisation exercise.	The Transportation Service are attempting to mitigate some of the pressure.

Budget Monitoring Report
Council Fund Variances

MONTH 6 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Regulatory Services	4.841	5.021	0.180	0.185	Car Park income. The pressure is based on the average shortfall in income against monthly projections for each town following the first full ten months of implementation (received in 2018/19) of the increased tariff charges. A large section of car parking	Keep car park income closely monitored.
Other Minor Variances	21.737	22.028	0.291	0.311	Minor variances across the portfolio below £0.050m	
Total Streetscene & Transportation	30.335	31.821	1.487	1.599		
Planning, Environment & Economy						
Business	1.583	1.635	0.052	0.065	Extension of two EHO contracts has been agreed due to increasing service pressures and demands	
Access	1.337	1.402	0.065	0.055	Historic Income Target not realised due to cessation of Environment Single Revenue Grant in March, 2019 £0.027m. Service Review in Rights of Way resulting in increased staffing costs £0.028m	
Management & Strategy	1.390	1.324	-0.066	-0.057	Vacant posts across the service: Land Drainage and Planning Policy	
Minor Variances	1.598	1.570	-0.028	-0.009		
Total Planning & Environment	5.907	5.931	0.024	0.053		
People & Resources						
HR & OD	2.367	2.444	0.076	0.078	The launch of the salary sacrifice scheme for AVSC was undertaken earlier this year and all existing employees paying AVSC have been written to encouraging them to take up the scheme together with information for all staff via the infonet workforce news. To date only £0.009m has been achieved through this scheme and this has been estimated to a full year efficiency at £0.018m	Promote the AVSC Scheme and encourage further staff take up.
Corporate Finance	2.083	2.092	0.009	0.023		
Total People & Resources	4.451	4.536	0.085	0.100		
Governance						
Legal Services	0.723	0.895	0.172	0.163	Overspend as a result of employing locums to December, 2019 covering absence to ensure continuing client service delivery in the area of child protection £0.090m. Previous years efficiency target that was dependant on demand reduction in another service that has not occurred, thereby preventing the consequent achievement of the efficiency £0.090m. Mitigated by the fee income and commitment challenge within the service £0.017m	Absence monitoring and monitor fee income levels
Revenues	0.197	0.151	-0.046	-0.025	Early indication of a potential surplus on the Council Tax Collection Fund	Continue to monitor collection data

Budget Monitoring Report
Council Fund Variances

MONTH 6 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Minor Variances	8.256	8.182	-0.075	-0.087	Minor variances across the portfolio below £0.050m	
Total Governance	9.177	9.228	0.051	0.051		
Strategic Programmes						
Leisure	5.272	5.273	0.000	0.000		
Minor Variances	5.272	5.273	0.000	0.000		
Total Strategic Programmes	5.272	5.273	0.000	0.000		
Housing & Assets						
Caretaking & Security	0.263	0.208	-0.055	-0.006	Savings identified arising from the review and challenge of non-essential spend, of which £0.034m relates to staff cost savings arising from vacancies and reduced overtime payments. A further £0.015m saving on R and M of Buildings arose from the challenge of non essential spend making a total of £0.049m for this service. The remaining £0.006m of the projected underspend relates to minor savings which had previously been identified and reported.	Continue to review and challenge all non essential spend in future months.
CPM & Design Services	0.673	0.604	-0.069	-0.060	Mainly due to a surplus of income recovered via Service Level Agreements (SLAs) and also £0.012m arising from the review and challenge of non-essential spend.	Continue to review and challenge all non essential spend in future months.
Benefits	11.566	11.291	-0.275	-0.273	Projected underspend on the Council Tax Reduction Scheme (CTRS).	
Minor Variances	2.636	2.635	-0.000	0.040		
Total Housing & Assets	15.137	14.739	-0.398	-0.300		
Chief Executive's						
	2.801	2.660	-0.141	-0.153	Vacant Posts	
Central & Corporate Finance						
	22.810	22.433	-0.377	-0.390	Over recovery of planned pension contributions recoupment against actuarial projections due to pay award increase mitigated by the under achievement of Income efficiencies and Workforce efficiencies	
Grand Total	271.350	274.048	2.698	3.043		

2019/20 Efficiencies Outturn Tracker (Month 6)

Efficiency Description	Accountable Officer	Efficiency Target	Projected Efficiency	(Under)/Over Achievement	Efficiency Open/Closed (O/C)	Confidence in Achievement of Efficiency - Based on (see below) R = High Assumption A = Medium Assumption G = Figures Confirmed	Reason for variation	Mitigating Action if Amber or Red
		2019/20 £m	2019/20 £m	2019/20 £m				
Portfolio								
Corporate								
Minimum Revenue Provision	Change in accounting Policy for MRP	Liz Thomas	1.400	1.400	0.000	C	G	N/A
New Income Targets* (See below for further breakdown)	Additional Income Target 19/20	All	0.100	0.000	(0.100)	O	A	See income analysis below
Management of Workforce and Inflation cost pressures	Corporate Financing Efficiency for Pensions/Auto Enrolment & 17/18 Inflation	Gary Ferguson	1.144	1.144	0.000	C	G	N/A
Workforce Terms and Conditions	Essential Car User Allowance/Travel/AVC	Sara Dulson/Sharon Carney	0.250	0.100	(0.150)	O	A	To be confirmed
ADM Subsidies		Rachael Corbelli	0.400	0.285	(0.115)	C	G	Agreed re-profiling of subsidy reduction
Reduction in Corporate Management Costs		Joanne Pierce	0.250	0.256	0.006	C	G	£0.256m achieved to date though further efficiencies from CO post (Oct-March) may be achieved pending confirmation of resourcing
HRA/Council Fund Recharges		Rachael Corbelli	0.158	0.158	0.000	O	G	N/A
Newsletter & Promotions		Karen Armstrong	0.029	0.029	0.000	O	G	
Workforce Reduction		Karen Armstrong	0.015	0.015	0.000	O	G	
IT Infrastructure		Gareth Owen	0.097	0.097	0.000	O	G	
Democratic Services		Gareth Owen	0.009	0.009	0.000	O	G	
Total Corporate Services			3.852	3.493	(0.359)			
Social Services								
Domiciliary Care Charging Cap		Neil Ayling	0.264	0.264	0.000	O	G	
Business Systems Mobiles and Hardware			0.005	0.005	0.000	O	G	
Older Peoples Day Services			0.020	0.020	0.000	O	G	
Reduction in Voids			0.025	0.025	0.000	O	G	
Regional Efficiency			0.020	0.020	0.000	O	G	
Strategic Use of Grants			0.170	0.170	0.000	O	G	
Telecare			0.010	0.010	0.000	O	G	
Deferral of Recruitment			0.050	0.050	0.000	O	G	
Social Care Additional Funding			1.410	1.303	(0.107)	C	G	Grant allocation of £1.303m advised by WLGA
Children's Services Additional Funding			0.110	0.000	(0.110)	O	A	Grant allocated to National Adoption Service arrangement with WCBC as lead - funding being fully spent on new staff
Regional Allocation Health and Social Care			0.705	0.639	(0.066)	O	G	ICF funding £0.639m for Children's Services Edge of Care and complex needs
Total Social Services			2.789	2.506	(0.283)			
Education & Youth								
Integrated Youth Provision			0.014	0.014	0.000	O	G	
School Planning and Provision			0.005	0.005	0.000	O	G	
School Improvement Systems			0.058	0.058	0.000	O	G	
Gwe Efficiency			0.006	0.006	0.000	O	G	
Total Education & Youth			0.083	0.083	0.000			
Housing & Assets								
Housing Solutions; Reduction to temporary accommodation		Jenny Griffiths	0.030	0.030	0.000	O	G	
Housing Programmes; Reductions in bond applications		Mel Evans	0.005	0.005	0.000	O	G	Delay to reviewing processes
Total Housing & Assets			0.035	0.035	0.000			
Streetscene & Transportation								
School Transport		Anthony Stanford	0.100	0.000	(0.100)	C	R	Decision not to review historic transport anomalies in year.
Review Security Arrangements in depot		Katie Wilby	0.005	0.005	0.000	O	G	
Total Streetscene & Transportation			0.105	0.005	(0.100)			Impact of not achieving the efficiency included in the Additional School Transport Costs range in the Month 2 report.
Planning, Environment & Economy								
Service Review - Trading Standards		Sian Jones	0.035	0.035	0.000	O	G	
Supplies and Services review		Lynne Fensome	0.005	0.005	0.000	O	G	
Regeneration review of spending		Niall Waller	0.023	0.023	0.000	O	A	
Greenfield Valley Management Fee (10% £68k)		Tom Woodall	0.007	0.007	0.000	O	G	
Minerals & Waste shared service		Gary Nancarrow	0.005	0.005	0.000	O	A	
Total Planning, Environment & Economy			0.075	0.075	0.000			
Total 2019/20 Budget Efficiencies			6.939	6.197	(0.742)			

Less Previously agreed Decision	Agreed Re-profiling of Subsidy - AURA	(0.115)	0.115
Revised 2019/20 Budget Efficiencies		<u>6.824</u>	<u>6.197</u>
			<u>(0.627)</u>

		%	£
Total 2019/20 Budget Efficiencies		100	6.939
Total Projected 2019/20 Budget Efficiencies Underachieved		-11	(0.742)
Total Projected 2019/20 Budget Efficiencies Achieved		89	6.197
Total 2019/20 Budget Efficiencies (Less Previously agreed Decisions)		100	6.824
Total Projected 2019/20 Budget Efficiencies Underachieved		-9	(0.627)
Total Projected 2019/20 Budget Efficiencies Achieved		91	6.197

* New Income Targets		£m
Income Target Efficiency from Previous Years		(0.207)
Income Efficiency 19/20		(0.100)
Total Income Efficiency		<u>(0.307)</u>

	Efficiency	Amount Achieved	(Under)/Over Achievement
	2019/20	2019/20	2019/20
	£m	£m	£m
19/20 New Income Efficiencies from Business Planning			
Corporate			
Graphics Income	(0.005)	(0.005)	0.000
Management Recharge	(0.016)	(0.016)	0.000
Social Services			
Integrated Services	(0.010)	(0.010)	0.000
Workforce Development Income	(0.005)	(0.005)	0.000
Streetscene			
Income from external works within fleet services	(0.010)	(0.010)	0.000
Garden Waste Charges	(0.050)	(0.050)	0.000
Bereavement Services (01.10.19 to 31.03.20)	(0.003)	(0.003)	0.000
Planning, Environment & Economy			
Planning Fee Income	(0.025)	(0.025)	0.000
Countryside & Conservation	(0.023)	(0.023)	0.000
Business & Community - Food Safety, Taxi Licences, Pest Control & Weights & Measures (01.10.19 to 31.03.20)	(0.010)	(0.010)	0.000
Total 19/20 Income Efficiency	(0.157)	(0.157)	0.000
Total Balance Remaining	(0.150)		

New against target due to increase in fees from 1/10/19
Remaining amount is from from BP efficiencies in 19/20 budget

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2019	14.021	
Less - Base Level	(5.7690)	
Total Reserves above base level available for delegation to Cabinet		8.252
Less - amount committed as part of balancing 2019/20 budget		(2.221)
Less - amount approved to operate a Sustainable Drainage System (SuDS) Approving Body (SAB)		(0.062)
Less - amount approved for investment in change		(1.000)
Less - allocation for ongoing resourcing of the Victim Contact Team		(0.100)
Less - projected outturn overspend		2.698
Total Contingency Reserve available for use		2.171

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 6 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(36.239)	(36.006)	0.232	0.273	There is a projected pressure of £0.232m on income. Of this pressure, £0.196m relates to loss of rental income on void properties and £0.048m relates to loss of income on garages which are not tenanted. The remaining (£0.012m) relates to other minor variances.	
Capital Financing - Loan Charges	8.380	8.380				
Estate Management	1.707	1.674	(0.033)	(0.031)	Additional expenditure of £0.051m is anticipated during the year in respect of the purchase of software. Salaries efficiency arising from vacancy savings and grant recharges of (£0.094m). Other minor variances of £0.010m.	
Landlord Service Costs	1.459	1.437	(0.023)	0.013	Minor variances.	
Repairs & Maintenance	8.530	8.469	(0.060)	(0.061)	Saving in respect of DLO salaries of (£0.061m).	Continue to monitor and review.
Management & Support Services	2.442	2.335	(0.107)	(0.089)	It is anticipated that savings of £0.089m will be achieved in Management and Support costs. This will include salary savings of (£0.048m), a reduction in IT expenditure of (£0.042m) and other minor variances of £0.017m.	
Capital Expenditure From Revenue (CERA)	13.717	13.717				
HRA Projects	(0.155)	(0.154)	0.001	0.001	Minor variances.	
Contribution To / (From) Reserves	0.158	0.148	(0.010)	(0.081)	Reduction in contribution to reserves of £0.010m to offset additional expenditure across the HRA.	
Total Housing Revenue Account	0.000	(0.000)	(0.000)	0.026		