

## CABINET

<b>Date of Meeting</b>	Tuesday 20th February, 2024
<b>Report Subject</b>	Revenue Budget Monitoring Report 2023/24 (Month 9)
<b>Cabinet Member</b>	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### **EXECUTIVE SUMMARY**

This monthly report provides the latest detailed overview of the budget monitoring position for the 2023/24 financial year for the Council Fund and Housing Revenue Account and presents the position, based on actual income and expenditure as at Month 9.

The projected year end position is as follows:

#### **Council Fund**

- An operating deficit of £2.502m which is a favourable movement of £0.440m from the deficit figure reported at Month 8.
- A projected contingency reserve available balance as at 31 March 2024 of £5.108m. (after the actual impact of pay awards and taking account of previously approved allocations).

#### **Housing Revenue Account**

- Net in-year revenue expenditure is forecast to be £0.049m higher than budget which is an adverse movement of £0.031m from the figure reported at Month 8.
- A projected closing balance as at 31 March, 2024 of £3.148m

The economic outlook remains challenging due to inflation levels remaining high.

The impacts of this, together with continued increases in service demand is becoming increasingly hard to deal with as our funding fails to keep up with the scale of these pressures.

To assist with managing these risks and mitigating the overall projected overspend, a moratorium on non-contractually committed spend has been put in place alongside a vacancy management process which continues.

At Month 9, £1.548m of deferred and/or delayed expenditure has been identified and is analysed by service within Appendix 2. The robust challenge of budget lines and commitments will continue, and further updates provided in future reports.

## RECOMMENDATIONS

1	To note the report and the estimated financial impact on the 2023/24 budget.
2	To support the carry forward requests included in paragraph 1.10.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE REVENUE BUDGET MONITORING 2023/24</b>
1.01	<p>The projected year end position is as follows:</p> <p><b>Council Fund</b></p> <ul style="list-style-type: none"> <li>An operating deficit of £2.502m which is a favourable movement of £0.440m from the deficit figure reported at Month 8.</li> <li>A projected contingency reserve available balance as at 31 March 2024 of £5.108m (after the actual impact of pay awards and taking account of previously approved allocations).</li> </ul> <p><b>Housing Revenue Account</b></p> <ul style="list-style-type: none"> <li>Net in-year revenue expenditure forecast to be £0.049m higher than budget which is an adverse movement of £0.031m from the figure reported at Month 8.</li> <li>A projected closing balance as at 31 March, 2024 of £3.148m</li> </ul> <p>To assist with managing these risks and mitigating the overall projected overspend, a moratorium on non-contractually committed spend has been put in place alongside a vacancy management process which continues.</p> <p>At Month 9, £1.548m of deferred and/or delayed expenditure have been identified and is analysed by service within Appendix 2. The robust challenge of budget lines and commitments will continue, and further updates provided in future reports.</p>
1.02	<p>Hardship Funding from Welsh Government helped secure £16m of direct financial help in 2022/23 for areas such as self-isolation payments, statutory sick pay enhancement, free school meals direct payments and winter fuel payments. However, this funding ceased on 31 March 2023.</p>

1.03 **Table 1. Projected Position by Portfolio**

The table below shows the projected position by portfolio:

Portfolio/Service Area	Approved Budget	Projected Outturn	In-Year Over / (Under) spend
	£m	£m	£m
Social Services	89.235	89.833	0.598
Out of County Placements	17.285	18.889	1.603
Education & Youth (Non-Schools)	10.327	9.942	(0.385)
Schools	114.043	114.291	0.248
Streetscene & Transportation	42.227	43.681	1.454
Planning Env & Economy	7.557	6.811	(0.746)
People & Resources	4.697	4.518	(0.179)
Governance	11.943	11.540	(0.403)
Assets	11.141	10.771	(0.370)
Housing & Communities	15.990	18.673	2.683
Chief Executive	1.672	1.656	(0.016)
Central & Corporate Finance	26.003	24.018	(1.985)
<b>Total</b>	<b>352.121</b>	<b>354.623</b>	<b>2.502</b>

The changes made to the approved budget since Month 8 between Schools and Education and Youth (Non Schools) relate to permanent exclusions and managed moves and to cover the Fresh Start provision.

1.04 The reasons for the monthly movements over £0.025m are shown in Appendix 1 and overall projected variances over £0.050m are summarised within Appendix 2 together with a summary of minor variances for each portfolio.

**Significant Movements from Month 8**

1.05 **Social Services (£0.072m)**

The favourable movement relates to:

**Older People**

- Localities £0.164m – Residential Care costs have increased by £0.118m and Domiciliary Care costs have increased by £0.067m. Both of these are demand led services. Capacity to deliver care has been affected by recruitment issues but recently there has been improvement within some parts of the care sector. There is a

	<p>decrease of (£0.021m) on staffing costs due to a number of minor variances on pay and travel.</p> <ul style="list-style-type: none"> <li>• Community Equipment Contribution £0.030m – the increase in the annual contribution made to the North East Community Equipment Stores due to increases in pay following the Pay Award 2023/24.</li> <li>• Resources &amp; Regulated Services (£0.122m) – positive variances for Older People Residential Care costs (£0.049m), Extra Care (£0.011m) and Homecare (£0.065m). Recruitment and retention continues to be a challenge and prolonged delays lead to a reduction in service provision. Day Care costs have increased by £0.032m.</li> </ul> <p><b>Adults of Working Age</b></p> <ul style="list-style-type: none"> <li>• Residential Placements (£0.064m) – adjustments to care packages have resulted in the decrease in projected costs.</li> </ul> <p><b>Children’s Services</b></p> <ul style="list-style-type: none"> <li>• Family Placement £0.132m – Costs have been transferred from Children’s Services professional support Leaving Care budget for payments associated with ‘When I am Ready’ foster allowances. This allows young adults previously in foster care as children to remain in the same placement until ready to move out.</li> <li>• Professional Support (£0.125m) – ‘When I am Ready’ costs have been transferred to Family Placement.</li> </ul> <p>Minor variances across the Portfolio account for the remainder (£0.087m)</p>
1.06	<p><b>Out of County Placements £0.077m</b></p> <p>The adverse movement relates to:</p> <ul style="list-style-type: none"> <li>• Children’s Services £0.142m - Net impacts of new placements, changes of placements, ended placements and removal of contingency provision.</li> <li>• Education &amp; Youth (£0.065m) - Net impacts of new placements, changes of placements and reduction of contingency provision</li> </ul>
1.07	<p><b>Governance (£0.178m)</b></p> <p>The favourable movement relates to:</p> <ul style="list-style-type: none"> <li>• Review and revision of Bad Debt Impairment percentages within the Council Tax Collection Fund thereby increased the anticipated surplus by (£0.100m).</li> <li>• delayed / deferred expenditure within Internal audit for the moratorium (£0.029m)</li> <li>• revised contribution to Denbighshire County Council for the Procurement Service (£0.027m).</li> </ul> <p>Minor variances across the Portfolio account for the remainder (£0.022m).</p>
1.08	<p><b>Central &amp; Corporate (£0.102m)</b></p>

	A further review of the Central Loans and Investment Account at Month 9 indicates a further improvement on the position.
1.09	Cumulative minor variances across the Council of (£0.165m) account for the remainder of the total monthly movement.
1.10	<p><b>Carry Forward Requests</b></p> <p><b>Planning, Environment &amp; Economy £0.050m</b> To fund a specialist practitioner post for 12 months to work on the new established requirements for Special Procedures.</p> <p>Special Procedures will be introduced in Wales in 2024/25 and will be a regulatory framework for those who carry out skin piercing activities. It will supersede any local by-laws with respect to these activities, the requirements will be even more stringent. It is a mandatory licensing scheme, which will be resource heavy, particularly over the first 18 months. Existing practitioners will need to apply for a new licence and therefore new inspections will need to be undertaken by officers.</p> <p>This post will lay the groundwork for the Service thereby facilitating a future income stream once fully online and functioning.</p> <p><b>Governance £0.210m</b></p> <p>To request the anticipated underspend across the Customer Contact budget in 2023-24 is transferred to the Digital Strategy Reserve.</p> <p>The Digital Strategy Reserve (DSR) was created in 2018 using an invest to save budget of £0.550m and has subsequently been topped up with £0.353m from various revenue budget underspends bringing the overall allocation to £0.903m. To date £0.451m has been spent with the anticipated outturn into 2024/25 totalling £0.747m leaving a DSR balance of £0.156m to support the Council's ambitious Digital Strategy and transformation by resourcing the following fixed term posts:</p> <ul style="list-style-type: none"> <li>• Digital Officers (G04) x 2 FTE</li> <li>• Digital Solutions Technician (G04) x 1 FTE</li> <li>• Transformation Officer (G06) x 0.6 FTE</li> </ul> <p>These posts are critical in driving forward digital development and delivery of digital solutions to deliver change and are linked with the Council's new transformation programme. To retain the current postholders it is necessary to extend the fixed term contracts for a further two years until 31 March 2027. This carry forward would assist in topping up the DSR and avoid a future pressure bid within the MTFs.</p>
1.11	<p><b>Tracking of In-Year Risks and Emerging Issues</b></p> <p>Members were made aware when setting the budget that there were a number of open risks that would need to be kept under close review. An update on these is provided below.</p>

1.12	<p><b>Council Tax Income</b></p> <p>The 'in-year' collection level is 85.3% the same level as the previous year. Rising costs-of-living continue to impact on the ability of some households to make payment of council tax on time.</p>
1.13	<p><b>Pay Award (Teacher and Non-Teacher)</b></p> <p><u>NJC (Green Book)</u></p> <p>The actual impact of the pay offer for 2023/24 was an additional £2.702m which is being met from Contingency Reserve.</p> <p><u>Teachers Pay</u></p> <p>Increases as previously outlined have been accepted by all teaching unions.</p>
1.14	<p><b>Pay Modelling</b></p> <p>No figures are currently included for any impact of the pay modelling review which is needed to try and address the difficulties currently being experienced in recruitment and retention. It is due to be completed later this year.</p>
1.15	<p><b>Waste Recycling Infraction Charge</b></p> <p>The Council did not meet the statutory minimum target, (64%) in 2021/22, for the percentage of municipal waste which must be recycled, prepared for re-use and composted, as specified in Section 3 of the Waste (Wales) Measure 2010. Welsh Government can therefore take steps to impose a penalty on the Council by way of an infraction fine. A potential penalty of up to £0.663m has been confirmed so presents a significant financial risk to the Council.</p> <p>Discussions took place in March,2023 between Welsh Government (WG) and the Council as to the reasons for not achieving the target. The Council has subsequently been instructed by WG to engage with the Waste and Resources Action Programme (WRAP) and Local Partnerships to review our waste strategy and develop a new action plan. Depending on the outcome of the review, the Minister will take a decision at that point whether to levy the fine.</p> <p>Unfortunately, the statutory recycling targets have not been achieved in 2022/23 too (non-verified), which means that a further infraction fine could be levied of around £0.470m should WG choose to do so, and monitoring of the authority's recycling performance for 2023/24 to date shows that the rates of recycling and residual waste tonnages are not improving, which could lead to not achieving the targets in 2023/24 also.</p>
1.16	<p><b>Homelessness</b></p> <p>There continues to be a significant and growing demand within the Homelessness service. The Council has a statutory duty to provide suitable</p>

	<p>temporary accommodation for Homeless persons and families who meet the Welsh Government eligibility criteria which are less stringent than in England. The growth in demand commenced in the second half of 2022/23 and continued to accelerate markedly between April and December,2023.</p> <p>One of the more significant influences of many is the sparsity of affordable accommodation in the private rented sector which is being influenced by the cost-of-living crisis and an increase in the numbers of no-fault evictions as many private rented sector landlords are leaving the sector and seeking to sell their properties. There is also an acute shortage of suitable available accommodation within the Council's own HRA housing stock and with other Registered Social Landlords (RSL's) within the area. This is particularly the case for single persons below age 55 which make up the highest proportion of those who are currently homeless in Flintshire. The Flintshire position in terms of both demand and supply pressures is known to be consistent on both a regional and national basis within Wales.</p> <p>The Council will continue to lobby Welsh Government via the WLGA in conjunction with other Welsh LA's who are experiencing these pressures to seek additional financial support.</p> <p>WG are currently providing support via the No One Left Out grant for which the 2023/24 allocation is currently £0.382m. One favourable impact of the increase in costs and demand is the ability to recover additional Housing Benefit income over and above the amount budgeted which is currently helping to offset the projected overspend by £0.441m.</p> <p>The mitigations options approved by Cabinet and Community and Housing Overview and Scrutiny are now being actively progressed by a Housing Options officer working group with a view to increasing the supply of accommodation for Homeless persons as alternatives to the more expensive emergency accommodation.</p>
1.17	<p><b>Storm Babet</b></p> <p>Storm Babet was an intense extratropical cyclone which affected many parts of the County from 19 October through to the end of 21 October 2023. This was followed rapidly by Storm Ciaran, which although saw less impact, still necessitated significant resources in response.</p> <p>The storm caused severe disruption to travel with many roads closed, railways flooded, schools closed, and properties being affected by flood water. Storm Ciaran also required a priority response and caused some additional costs.</p> <p>The Council has been incurring the financial impact of the emergency response, assessing damage to infrastructure and arranging the necessary remedial works to be carried out in the aftermath. This is currently estimated at £1.5m.</p> <p>There is an Emergency Financial Assistance Fund (EFAS) that Welsh Government have in place. However, Authorities are expected to make reasonable provision in their budgets to deal with contingencies. Therefore,</p>

if an Emergency Financial Assistance Scheme is activated, the authority affected will be expected to meet all eligible expenditure up to the level of its threshold.

Thresholds are calculated at 0.2% of authority's annual budget requirement and apply to the whole financial year, not to each incident within the financial year and for Flintshire, this amounts to emergency funding being provided at 85% for costs over and above the threshold of £0.711m. WG have been notified of our intention to allocate the costs against the EFAS scheme, which will require Minister approval.

There is a Severe Weather Earmarked Reserve totalling £0.250m which can assist in funding some of these costs.

The financial impact of Storms Babet and Ciaran is estimated as follows: -

Description	Costs to date £m	Projected future costs £m	Total Costs £m
Clean Up	0.300	0.150	0.450
Priority re-instatement works		1.000	1.000
Other storm damage costs		0.050	0.050
<b>Total Projected Costs</b>	<b>0.300</b>	<b>1.200</b>	<b>1.500</b>
<b>Severe Weather Reserve</b>			<b>-0.250</b>
<b>EFAS Funding @ 85%*</b>			<b>-0.671</b>
<b>Projected net cost of storms</b>			<b>0.579</b>

\*£1.5m less £0.711m threshold = £0.789m x 85% = £0.671m

#### 1.18 Other Tracked Risks

In addition, there are a number of risks being tracked which may be subject to change and these are summarised below.

#### 1.19 Medium Term Financial Strategy (MTFS) Impact

An update on the latest budget position was reported in January and provided an update on the impact of the Welsh Local Government Provisional Settlement which had the effect of increasing the remaining budget gap to £12.946m.

Work on the remaining solutions to meet the gap has now been concluded and the final budget will be considered as part of the agenda for this meeting together and will include a projection of the medium-term position for 2025/26 and 2026/27.

All Portfolios 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.

#### 1.20 Out of County Placements



	<p>The risks include continued high demand for placements where children and young people cannot be supported within in-house provision, and market supply limitation factors and inflationary pressures leading to higher costs. An additional amount of £1m was approved in the 2023/24 budget to reflect this.</p> <p>However, there remains a projected overspend for the current cohort of placements of circa £1.603m, although with 3 months of the year remaining this is likely to increase and a contingency of £0.200m is currently built into the outturn position for this, £0.100m for Children’s Services and £0.100m for Education placements.</p> <p>The service areas within this pooled budget will continue to do everything possible to manage these risks and additional investment has already been made to further develop in-house provision to help to mitigate against such financial pressures.</p>
1.21	<p><b>Streetscene &amp; Transportation</b></p> <p><u>Fleet Contract Renewal</u>  The current fleet contract, which has been in operation for 7 years, was renewed for a temporary period of 6 months from October 2023. Due to the current market conditions in re-procurement of contracts of this type, the cost of the new contract is considerably more than what was previously being paid, due to being protected from inflationary increases during the previous contract life. The cost of the contract will further increase from April 2024 and provision is being made within the 2024/25 budget considerations for this.</p> <p><u>Sustainable Waste Management Grant (SWMG)</u>  The Minister for Climate Change has confirmed that the SWMG grant will be retained at the same level for this financial year. However, those local authorities that are not yet meeting the statutory recycling target of 70% will be required to use the grant to reach 70% and be required to demonstrate this. It has also been confirmed that the SWMG grant will likely become part of the Revenue Support Grant (RSG) funding from 2024/25. The current value of the grant is £0.742m per annum, but it is not yet confirmed whether the proportion that Flintshire will receive within the Welsh Local Government settlement will be similar to current levels.</p>
1.22	<p><b>Education &amp; Youth (Non-Schools)</b></p> <p><u>Inclusion and Progression</u>  The services that the Inclusion and Progression teams provide within Education and Youth portfolio are under significant pressure.</p> <p>Prior to the pandemic the service had seen increasing numbers of children and young people presenting with an increased level of significant and complex needs, resulting in the council being dependent on non-Flintshire provision.</p>

	<p>Post pandemic the situation has worsened with increasing numbers of pre-school children needing support and challenging behaviour causing concern across both primary and secondary schools. In addition, there are increased rates of emotionally based school avoidance. As a result, levels of attendance have reduced, whilst all forms of exclusions have increased. All of which contributes to a requirement for more specialist and bespoke intervention.</p> <p>The service is taking steps to actively manage demand, alongside reviewing provision, and seeking to develop and enhance in house provision.</p> <p>The pressures are being experienced across Wales, at a time when schools and central services are implementing the Additional Learning Need (ALN) reforms.</p> <p>Welsh Government have made additional grants available to support schools and councils. However, there are risks over reliance on temporary grant funding and its ability to meet demand within existing budgets and available grants.</p>
1.23	<p><b>Harpur Trust vs Brazel Case</b></p> <p>The potential financial impacts are still being determined in response to the Employment Appeal Tribunal (EAT) decision in the case of Harpur Trust v Brazel. The Supreme Court upheld the EAT judgment in the Brazel case in July 2022 which impacts on the calculation of holiday pay entitlements for staff who work for part of the year (i.e., term time). An approved carry forward from 2022/23 for £0.254m will provide some funding towards these costs.</p>
1.24	<p><b>Achievement of Planned In-Year Efficiencies</b></p> <p>The 2023/24 budget contains £9.265m of specific efficiencies which are tracked and monitored throughout the year. The Council aims to achieve a 95% rate in 2023/24 as reflected in the MTFS KPI's and fully achieved all efficiencies in the previous financial year.</p> <p>It is projected that 99% of efficiencies will be achieved in 2023/24 and further details can be seen in Appendix 3.</p>
1.25	<p><b>Unearmarked Reserves</b></p> <p>The final level of Council Fund Contingency Reserve brought forward into 2023/24 was £9.508m as detailed in the 2022/23 outturn report (subject to Audit).</p> <p>The brought forward balance on the COVID-19 Hardship Reserve was £3.743m. Internal claims for Quarters 1 to 3 in 2023/24 totalling £0.531m for Holywell Leisure Centre, Cambrian Aquatics, Streetscene &amp; Transportation and Free School Meals covering the Christmas holiday period have been approved so far. The current balance remains at £3.212m.</p> <p>The projected contingency reserve available as at 31 March, 2024 is £5.108m (after the actual impact of final pay awards and previously approved allocations) and is shown in Appendix 4.</p>

The Council Tax Balance released to Reserves was overstated by £0.250m at Month 8 so it has been necessary to adjust the projected amount remaining by the same amount – see Appendix 4.

## 1.26 Earmarked Reserves

The table below provides a summary of earmarked reserves as at 1 April 2023 and an estimate of projected balances as at the end of the current financial year.

Council Fund Earmarked Reserves 2023/24

### Monitoring Summary Month 9

Reserve Type	Balance as at 01/04/23	Balance as at Month 9	Release to General Reserve	Estimated Balance as at 31/03/24
Service Balances	6,184,486	4,206,339	274,703	1,318,968
Workforce Costs	843,190	843,190	0	819,971
Investment in Organisational Change	1,350,875	1,350,875	0	930,138
County Elections	74,777	74,777	0	74,777
Local Development Plan (LDP)	115,360	115,360	115,360	0
Warm Homes Admin Fee	315,985	315,985	0	315,985
Waste Disposal	48,771	48,771	8,133	40,638
Design Fees	250,000	250,000	0	200,000
Winter Maintenance	250,000	250,000	0	0
Severe Weather	250,000	250,000	0	0
Car Parking	88,059	88,059	0	88,059
Insurance Reserves	2,201,372	2,201,372	0	2,325,000
School HWB ICT Replacement	526,447	526,447	0	789,670
Free School Meals	30,398	30,398	0	0
Flintshire Trainees	562,948	562,948	0	524,000
Rent Income Shortfall	106,118	106,118	0	106,118
Plas Derwen Wave 4	3,560	3,560	0	1,780
Customer Service Strategy	22,468	7,468	0	0
Supervision Fees	48,798	48,798	0	48,798
IT COVID Enquiry	142,301	142,301	0	132,000
ICT Servers Reserve	170,000	0	0	0
IT Infrastructure HWB	312,442	139,442	0	44,442
Schools Intervention Reserve	705,836	227,314	0	162,890
Organisational Change/ADM	873,546	1,226,546	0	626,546
NWEAB	330,927	330,927	0	0
Solar Farms	62,416	62,416	0	62,416
20 MPH Scheme	111,186	111,186	0	0
Employment Claims	109,846	109,846	0	109,846
Community Benefit Fund NWRWTP	683,164	683,164	0	229,792
<b>Total B823 Balances</b>	<b>10,590,790</b>	<b>10,107,268</b>	<b>123,493</b>	<b>7,632,866</b>
Schools Balances	6,716,596	6,716,596	0	1,606,613
Grants & Contributions	7,066,214	4,609,145	500,000	1,856,431
<b>TOTAL</b>	<b>30,558,085</b>	<b>25,639,348</b>	<b>898,196</b>	<b>12,414,878</b>

## 1.27 Housing Revenue Account

The 2022/23 Outturn Report to Cabinet on 18th July 2023 showed an un-earmarked closing balance at the end of 2022/23 of £3.786m and a closing balance of earmarked reserves of £2.690m.

1.28	The 2023/24 budget for the HRA is £39.418m which includes a movement of (£0.589m) from reserves.
1.29	Net in-year revenue expenditure forecast to be £0.049m higher than budget with a projected closing balance as at 31 <sup>st</sup> March, 2024 of £3.148m.  Minor variances account for the adverse movement £0.031m.
1.30	The budget contribution towards capital expenditure (CERA) is £12.712m.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	As set out within the report.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	The financial impacts as set out in the report are a combination of actual costs and losses to date and estimates of costs and losses for the future. There is the possibility that the estimates will change over time. The budget will be monitored closely, and mitigation actions taken wherever possible.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	None specific.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1: Council Fund – Movement in Variances from Month 8 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

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Various budget records.

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<b>Contact Officer:</b> Dave Ledsham Strategic Finance Manager <b>Telephone:</b> 01352 704503 <b>E-mail:</b> <a href="mailto:dave.ledsham@flintshire.gov.uk">dave.ledsham@flintshire.gov.uk</a>

8.00	<b>GLOSSARY OF TERMS</b>
8.01	<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>Regional Integration Fund (RIF):</b> funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.</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>Variance:</b> 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><b>Virement:</b> 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>