

**Flintshire County Council**

**Medium Term  
Financial Plan**

**(Council Fund)**

**2014/15 - 2018/19**

**Revision as at  
31st May 2013**

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# 1. Context

## Re-setting the Medium Term Financial Plan

This is the first of two revisions of the published Medium Term Financial Plan within 2013-14.

The aims of this first revision are:-

- To present an updated forecast of the impacts of the changing and worsening national fiscal position, and inflationary trends, on the core resources available to the Council to meet its priorities and maintain its services.
- To present a first forecast of the investment needed to support the priorities of the Council.
- To present, by combining the above, the updated revenue 'gap' to be bridged by organisational change, efficiencies and choices between services.

This revision of the MTFP reports the most accurate forecasts possible as at 31<sup>st</sup> May 2013.

The second revision of the Medium Term Financial Plan will be published by October 2013. The second revision will:-

- Update the forecast with the most accurate information at that time.
- Set out the Council's developing programme of organisational change and re-design to further modernise the organisation and secure major efficiencies in costs and overheads to meet its targets. The second revision will be accompanied by a fuller updated Organisational Change and Re-Design Plan which builds on and extends current activity.
- Enable the Council to make informed choices over base budget allocations to service functions according to need and choice.
- Provide a platform for the setting of a sustainable annual budget for 2014-15 as the third of the five years of this Council under this Plan.

## The Council Fund Budget

The 2013/14 total budget for delivering council fund services is £293m. The money to finance this spending (as for all councils) comes from two main sources. The majority of funding (80%) comes from Welsh Government through the revenue support grant/non domestic rates pool and numerous specific grants (many of which fund core services), with the remainder (20%) being raised locally from Council Tax. This means that Council services are heavily reliant on external funding. In a period of national fiscal constraint where such funding is under extreme pressure, the national funding position sets the context for us.

## The Changing National Funding Context

The 2013/14 Council Fund budget report in March this year set the scene of significant annual reductions in public sector financing at a national UK and a Welsh level. It was and is forecast that this will be the scenario for the remainder of the decade as a consequence of UK Government Fiscal Policy and an economy in recovery but with limited signs of growth. Whilst the public sector might be experiencing its leanest period for 30 years, the demand for services, the growing burdens of statutory obligations and service standards, and the ever-increasing expectations of the communities we serve, do not stand still. There is less available with which to do more.

The Chancellor's budget statement in March confirmed that there will be no full Comprehensive Spending Review this year. Instead, there will be a more limited exercise, called the 2013 Spending Round, which will review UK central departmental allocations for 2015/16 and also revisit allocations for the 2014-15 year that we are about to enter. The Welsh Government will have to absorb £32m of reductions which come from the budget statement in the current financial year. Although the main Revenue Support Grant for local government in Wales cannot be reduced in-year, it has been made clear that the 2014/15 'indicative' allocations for Councils will have to be revisited. Welsh Government already knows that it will have to find £81m of spending reductions in 2014-15 before we hear the outcomes of the 2013 Spending Round. We should all be bracing ourselves as public service leaders; the position can only worsen. The plans that this and other Councils have been following to adapt and to make efficiencies will not, in themselves, be sufficient to 'ride this storm'.

The Welsh Local Government Association (WLGA) recently set out three potential scenarios for the immediate future of local government funding in Wales. The first scenario assumes the Welsh Government maintains the regional 'top slicing' of grant to support collaborative working and takes £10.2m from the settlement. The second scenario includes the first, and assumes that local government takes an 'equal share' of the £81m reduction in total funding. The third scenario includes the first and further assumes that local government and all non-NHS programme budgets take the full 'brunt' of the reductions. Scenario 3 is the basis of the projections in this MTFP revision.

Recent communications from Welsh Government have also confirmed, with some inevitability, that the indicative allocations set for 2014/15 can no longer be relied upon for financial planning given this worsening context. In reality, a fourth scenario could be a greater reduction in funding available to Wales combined with a transfer away from local government and other sectors to support a National Health Service which, year on year, struggles to maintain both its financial and its performance targets.

The position on funding for 2014/15 and beyond will become clearer following the Chancellors Spending Round announcement due on 26<sup>th</sup> June and as the Welsh Government's response emerges in planning discussions. Welsh

Government has made past commitments to protect key spending areas, however, the worsening financial scenario will mean that this position cannot be maintained. Analysis of the reductions in funding experienced in England over the last comprehensive spending review period since 2010 show average reductions of 4% per annum year on year. Whilst the actual scale of probable reductions for 2014/15 is not yet known, a 1% reduction in the funding received in 2013/14 would, as an illustration, add £1m to the projected gap for 2014/15. Compared to the English scenario, at 4% it would be an additional £7m.

For Flintshire, as with all Councils, this will mean adopting a broader programme of organisational reform with more ambition and pace, making far more challenging efficiencies in operating costs and the costs of employment, ensuring value for money and reducing wastage to a minimum and, hardest of all, making choices between services and their needs for investment.

## Achieving Local Priorities

The newly published Improvement Plan 2013/14 sets out four shared priorities with our partners at a County level, and the eight priorities for the Council itself. All of our priorities remain important, but in any one year a number of them will stand out for special attention. Setting priorities helps us focus our attention and resources on the things that matter most. We call these our Improvement Priorities. Our eight Flintshire County Council priorities are:-

- Housing
- Environment
- Living Well
- Poverty
- Economy and Enterprise
- Skills and Learning
- Safe Communities
- Modern and Efficient Council

Not all priorities necessarily need extra resources; some inevitably do. The priorities should guide investment choices as the Council balances the resources it has at its disposal with the 'competing' demands of its services and the communities they support.

Resources are in place to deliver the priorities for 2013/14. Some of these resources are met from within the base budget but there was specific and positive investment in the 2013/14 budget as detailed in the budget report in March.

Over the five year life of the Council, the full set of priorities will adapt and the annual set of priorities selected for special attention will change according to need and circumstances. The financial impacts of additional investment in specific new priorities from 2014/15 will be included in future revisions to the MTFP as policy decisions are taken over the coming months. For planning purposes, the forecast also includes an annual amount of £1.6m for

investment in change and new priorities which would provide resource for one-off or time limited investment required to bring about the change, against which around £0.500m is committed to support invest-to-save in organisational reform (Flintshire Futures) for 2014/15 and 2015/16.

The Improvement Priority *Modern and Efficient Council* illustrates on-going programmes to modernise the organisation, making best use of our existing resources, seeking to bring in additional funding and generating efficiencies. This supports protection of investment in services.

## Organisational Change and Achieving Major Cost Efficiencies

The Council has been developing a leading programme to modernise the organisation and achieve major cost efficiencies. This programme has four major sub-programmes:-

- Corporate Change
- Service Change
- Regional Collaboration
- Local Collaboration

Under the Corporate Change Programme or Flintshire Futures, there are five workstreams: assets; customer; finance; procurement; workforce.

Under the Service Change Programme, a number of both major and minor reviews of the structure, delivery and performance of functional services have been completed ranging from Streetscene, Social Services for Adults, Housing, School Improvement, Libraries, and Finance, to Human Resources.

The Flintshire Futures Programme and the Service Change Programme have made positive impacts on service delivery and performance whilst achieving multi-million pound efficiency targets to reduce our cost base and help balance our budgets year on year. The Council has, in recent years, had a 'strike rate' of achieving 85% of the efficiencies it has set out to achieve in the course of a financial year. These two principal reform and cost saving programmes have achieved most of our efficiencies. They have been supported by the regional and local collaboration programmes.

The above activity is wide-ranging and complex. Whilst it has delivered much, the Council will need to step up its ambition to achieve even greater levels of efficiencies given the financial context set out at the beginning of this document.

The Flintshire Futures Programme will be maintained and will need to accelerate in pace. More fundamental reviews of how we allocate resources to services and functions, how we ensure value for money, and how we will operate as a lean and streamlined Council of the future, will also be needed. Taken together, these on-going and new plans will form a more expansive programme for organisational reform. The second in-year revision of this plan will set out more on the financial targets of these programmes.

## 2. Medium Term Financial Strategy & Medium Term Financial Plan

### The Role of the MTFS and MTFP

The Medium Term Financial Strategy (MTFS) and the Medium Term Financial Plan (MTFP) are critical aspects to the Council's overall governance arrangements.

**The Medium Term Financial Strategy** provides a framework for the financial principles through which revenue and capital resources will be forecast, organised and managed to deliver the Council's vision and strategic objectives.

**The Medium Term Financial Plan** forecasts funding levels and resource requirements over the medium term, identifies the gap between the two and enable specific actions to be identified to balance the budget and manage resources.

### Continuous Development

The MTFP will never be "complete" or finished." It is an ever evolving forecast of the Council's financial position, which is continually updated to take in and / or refine latest forecasts of funding, investment needs and the opportunities to be gained from efficiency or saving measures.

In the light of the national and local context described, it is essential that the Council has a robust Medium Term Financial Plan and a strategy to deliver the actions required to manage the budget gap over the short and medium term and which looks ahead to the longer term.

Through the next planned stages of development, we are committed to:-

- Recognise the full extent of the cost of service demands and potential investment choices and growth.
- More fully identify the extent of the potential budget gap.
- Quantify potential efficiency opportunities, and in particular, take account of when the financial benefits of longer term projects may be realised.

### Integrating the MTFP into the Medium Term Financial Strategy

The October revision of the MTFP update will be one of the elements to be incorporated into a refresh of the Medium Term Financial Strategy for publication in March alongside the budget for 2014/15.

### 3. The Medium Term Financial Plan Revision as at 31<sup>st</sup> May 2013

#### Headline Overview

At this stage, there is an estimated shortfall in funding of £8.5m for 2014/15 rising to £28.5m over the 5 year period 2014/15 to 2018/19. In reporting these figures it is important that the following are fully recognised:-

- The forecast is based on the most recent information available and the key assumptions which are detailed in the paragraphs below.
- Funding in 2014/15 is assumed to be “Scenario 3 as provided by the WLGA.
- The forecast is before the inclusion of the financial effects of new improvement priorities for 2014/15.

#### What will change the headline overview?

- Ongoing revision to the forecasts and key assumptions.
- Clarity about the level of Welsh Government Funding. As set out in Section 1, this forecast assumes funding in 2014-15 at “Scenario 3”. In view of the uncertainty around future funding, it is considered prudent to assume this level, however the most recent advice suggests that funding could be at a lower level which would mean the gap would increase. Funding in future years is currently assumed to be maintained at the 2014/15 level, and so any downward movement in the amount available in 2014/15 will increase the gap over the whole period. More detail on possible scenarios is given in Section 1.
- Clarity from Welsh Government on future expectations around the protection of Schools, Social Care or other budget areas.
- Local policy decisions on areas where there will be an element of choice as to future investment and / or the level of investment. The two most significant are:-

**Single Status** - the implementation of Single Status will result in a considerable increase to the pay bill. A base budget allocation of £4.3m has previously been set aside for recurring costs together with a reserve to fund the initial and time-limited costs. The Single Status Project is reaching its final stages. The final estimated financial impact and timing of the actual increase in workforce costs will be built into the next future revision of the MTFP. A likely scenario is an additional annual requirement of £5m or more over and above the base by 2017/18.



**School Funding Formula Review** - The Council has completed the first stage of a review of the school funding formula. The options emerging from the review work are planned for consideration over the summer / early autumn with a view to possible implementation from the 2014/15 academic year. The review has covered how the formula for the delegated budget is allocated to individual schools and whether the total funding is adequate to meet critical school needs and statutory responsibilities.

Whilst there are number of variables, using some broad assumptions, there is potential for the gap to increase to over £10m for 2014/15 and £40m over the 5 year period.

### How does this compare to the last published MTFP?

The last publication of the MTFP was in March, alongside the 2013/14 budget. At that stage, the reported budget gap was £7.626m in 2014/15 and £29.453m over 5 years. The difference to the figures as at 31st May is mainly due to a reduction in the estimated level of funding from WG (£2.4m as per scenario 3), an increase in estimated council tax income of £0.553m (increased base and collection rate), the net effect of costs in relation to services due to demand and external influences (£1.228m) and a reduction in the broad assumption for investment and growth (£2.500m) now that much more detailed work has been undertaken on likely levels required (see below).

### Current Forecast – detailed information

A summary of the 'headline' figures with regard to the updated MTFP are attached as Appendix 1.

The table is presented in such a way as to detail the position at various stages, for example, an inflationary increase on the existing budget results in a projected budget gap of £2.885m, adding on the indicative amounts of previous year decisions increases to gap to £5.693m and so on.

## Funding

### National Funding

#### Aggregate External Finance (AEF)

Approximately 80% of the Council's revenue funding is derived from Revenue Support Grant (RSG) and the Council's distribution of the National Non Domestic Rates Pool (NNDR).

The Local Government Final Settlement 2013/14 provided indicative funding of £200.970m for 2014/15. Additional Funding of £0.869m was received to enable the Council Tax Reduction Scheme (CTRS) (introduced from April 2013 to replace Council tax benefit) to provide support at 100% for eligible

claimants in 2013/14. It is not yet clear whether that funding will continue into 2014/15 and beyond, in whole or in part. For modelling purposes it is assumed that it will.

The potential reductions identified by the WLGA arising from the 2013 Spending Round would have the following effect for Flintshire:-

Scenario	Reduction	Percentage
	£m	%
1	0.463	0.23%
2	1.644	0.82%
3	2.419	1.20%

The Medium Term Financial Plan as presented assumes Scenario 3 i.e. a reduction in indicative funding of £2.419m.

### **Local Taxation (Council Tax)**

The MTFP currently assumes a 3% increase in Band D Council Tax (for planning purposes only) and a 98.5% Collection Rate (plus 0.25% increase in Council Tax Base) which would derive income of £60.304m for 2014/15. The increase in the Council Tax collection rate from the 97.5% assumed in 2013/14 is linked to the assumption about continued funding for the council tax support scheme. A policy decision on actual levels of council tax increase and the assumed collection rate will need to be considered as part of each year's budget setting process.

### **Specific Grants and Outcome Agreement Grant**

The MTFP currently assumes grant levels remain the same as 2013/14 (£34.764m). The Council's current policy, set out in the MTFP, is that where a specific grant reduces the service area needs to reduce costs accordingly. It is recognised however, that increasingly, specific grants do fund some core services which require careful consideration if they are to be reduced or brought to an end. In addition, there are often costs to which the Council is committed and which take time to reduce or stop.

Within the grants figure is £1.4m which is linked to the achievement of outcomes under the Outcome Agreement which the Council has with Welsh Government. A new model is being introduced for 2013/14 through which achievement will be assessed. The level of grant received in the future will be assessed by:-

- Achievement against five newly selected outcomes taken from the strategic themes of the Programme for Government, and
- An assessment of the Council's "performance and governance".

The new Outcome Agreement for 2013/14 and the following two years is being developed for Cabinet approval in the autumn.

## Investment in Services, Priorities and Improvements

### Base Budget 2013/14

The approved total budget of £293.3m for 2013/14 is rolled forward and the starting point for the MTFP covering 2014/15 to 2018/19.

### Inflation

Each year an assessment needs to be made on the inflationary increase required for service areas. The amount included of £4m covers the effect of a 1% pay award for all workforce groups, standard price inflation at 2%, above standard inflation as detailed below and income at 3%.

The table below details the assumptions currently made and their basis:-

Inflation	Current %	Based on
Pay	1%	Latest public sector pay expectations
Price	2%	Initial high level assumption - consistent with economic forecasts
NSI Energy	8%	Energy Unit advice
NSI Fuel	11.2%	UK Fuel price tax escalator
NSI Food	5.8%	National reports
Fees and charges	3%	Based on historical increases

Inflation assumptions are under continual review. More detailed calculations by service area will be included in the next reported revision.

***The Projected Shortfall in 2014/15 taking into account inflation is £2.885m.***

### Previous Year Decisions

Each year as the budget is set; some decisions (which are clearly set out) have implications for future year's budgets. The full year effect of previous year budget decisions is required to be adjusted to the base budget in order to 'follow through' the decisions made in budgetary terms. For 2014/15 the impact for all Service Areas is an increase in the budget requirement of £2.808m rising by a further £2.743m in 2015/16.

Included in the 2013/14 budget report was an indicative additional amount of £1.6m p.a. to support investment in organisational change programmes and

priorities. This was reduced from the £2m included in the draft 2013/14 budget proposals due to the base budget changes made at the County Council budget meeting. Any changes subsequently deemed one-off would increase the allocation by the relevant amount.

Also included in the 2013/14 budget report was an indicative additional amount of £0.017m for 2014/15, rising to £0.916m in 2015/16 to support prudential borrowing expectations, primarily to support the School Modernisation Programme.

*The Projected Shortfall in 2014/15 taking into account previous year service decisions is £5.693m.*

### **Demand / Externally Influenced Costs and Efficiencies**

As part of the ongoing work to develop and update the MTFP, the following have also been identified as requiring inclusion within the base budget to either meet client demand or to take account of external factors such as potential reductions in grant funding:-

#### **Costs**

- **Food Waste**  
This service is currently funded by Sustainable Waste Management Grant. However, there is potential for this funding source to be withdrawn which would result in a potential pressure of £0.296m in 2014/15 increasing to £0.342m in 2019/20.
- **Landfill Tax /N W Residual Waste**  
A potential pressure has been identified from 2014/15 of £0.256m rising to £0.481m in 2019/20. This is based on latest intelligence regarding price per tonne and factoring in estimated recycling levels.
- **Schools Demography**  
A review of latest estimated pupil numbers indicated an efficiency of £0.255m in 2014/15 and £0.278m in 2015/16, although this changes to a pressure of £0.118m in 2016/17, £0.240m in 2017/18 and £0.222m in 2018/19.
- **Employer Pension Costs**  
An actuarial valuation is due to be completed late in 2013/14. Based on initial indications, the following assumptions have been included. These will be firmed up over the summer alongside the triennial valuation of the pension fund and the resultant implications for employers' costs:-
  - i) Increase of 0.4% on pensionable Pay equating to £0.491m.
  - ii) Increase of £0.500m for pension fund deficit considered prudent at this stage.

- **Council Tax Reduction Scheme (CTRS)**  
An initial assessment of £0.300m has been included to take account of caseload and the increased cost of support linked to the assumed council tax rise. This will need full assessment in the light of the CTRS scheme for 2014/15, the level of Welsh Government funding and the assumed council tax collection rate.
- **Prudential Borrowing**  
The revenue impacts of the approved capital programme to be met from prudential borrowing has been updated to reflect the future years impact which requires additional funding of £0.252m from 2016/17 and an additional £0.029m from 2017/18.

### Efficiencies

- **Social Care Transition**  
The reported underspend position in 2012/13 has been followed through into a revised assessment of client costs for future years. An initial view has been taken that there will be an efficiency of £0.300m from 2014/15. The detailed work being undertaken to review this area will provide an updated estimate for inclusion in the next revision.

**The effect of including all of the above is an additional budget requirement of £1.288m for 2014/15 (additional £3.333m over 5 years).**

*The Projected Shortfall in 2014/15 taking into account the above adjustments is £6.981m.*

This revision as at 31<sup>st</sup> May has been produced prior to the final outturn for 2012/13 being concluded. The latest projection as at Month 12 estimates a net under spend of £4.313m, after taking account of under and over spends across services. Initial work to estimate the impact of this on the current MTFP assumptions indicates that there could be £2m of recurring under spend, but this would be offset by pressures of £1.4m if they should continue at the same level as in 2012/13. These initial estimates are not included in the MTFP at this point. They are subject of ongoing review and refinement and will need to be considered in detail for possible re-alignment of budgets in 2013/14 and future years. The final outturn will be reported in July,

### Further Investment/Growth

Each year as part of the budget process a number of areas have historically been identified as requiring further investment and/or growth. The early identification of the areas detailed above should reduce the amount required for 2014/15 compared to previous years. However, in the interest of prudence an amount of £1.5m pa is currently included based on the £3m identified in 2013/14 less the amount attributable to those items.

*The Projected Shortfall in 2014/15 taking into account the above is £8.481m.*

## **New Legislative Responsibilities**

As the programme of legislation of the National Assembly for Wales develops and grows, under the devolved arrangements, local government is and will continue to be given new responsibilities. Local government collectively, and the Council locally, will need to plan for these responsibilities. Each new 'Bill' or 'Measure' is examined to establish whether it will require additional funding or a transfer of funding from elsewhere to bring it into effect. The Welsh Government will need to act with care and responsibility in fully costing its own legislative programme. There is growing concern in local government that there are hidden and unfunded costs in some legislation. This makes financial planning difficult, and can have unintended consequence on budget changes in later years. Local Government and Welsh Government need to work together closely to have a better financial planning system so that if something is a priority of choice as a piece of legislation then it can and will be funded.

## **Meeting the Budget Gap**

### **Managing the Resources that we have**

Whilst the Flintshire Futures Programme and the plans that we have to develop this further are the drivers of major efficiencies, there is also a responsibility on us all to seek out every opportunity for efficiency on an ongoing basis. "Doing more with less" is a reality that all managers need to apply constantly. Robust business processes are needed to manage the resources we have and to ensure that identifying efficiencies is part of the way we do things everyday. The days when identifying efficiencies could be an annual event to balance the budget are behind us. A different approach is needed which is embraced across the whole Council.

The outcome of the work to review the 2012/13 projected outturn in detail and put in place tighter financial controls, strengthened forecasting and timelier reporting will be important to improving how we manage the resources we have and the information available on which to make decisions for the future.

### **Organisational Change and Reform - Achieving Greater Levels of Efficiencies**

The development and broadening of our programme for organisational modernisation and change will be central to the Council's protection of key services, the achievement of its priorities, and its very survival as a competent unit of local government. The broadening of the programme over and above the current Flintshire Futures Programme will include:-

- Cross investment into priorities of political choice through a challenging review of our current base budgets.
- Structural reviews of the Council and its operating models and functions.
- Functional reviews using a more strategic approach to Value for Money.

- Continued and new cross organisational reviews under the Flintshire Futures Programme.

In recent years the Council has been modernised and changed significantly. It has been necessary to identify total efficiencies of £28.9m over the last five years to balance the annual budget through planned corporate and service level change. Some fundamental service reviews such as Streetscene, Housing and Adult Social Care have demonstrated how value for money can be obtained through aligning resources effectively to priorities and service standards, how major efficiencies can be achieved to be 'recycled' into service improvements, and how continuous improvement can carry on year on year with new energy and ideas for new ways of working.

The developing plans for a more expansive and challenging programme of change and reform will be set out before the next revision of the MTFP building on the above.





## Financial Projection 2014/15 - 2018/19

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
<b>Funding</b>					
Aggregate External funding (AEF) RSG/NNDR	199,421	199,421	199,421	199,421	199,421
Council Tax	60,304	62,269	64,297	66,391	68,555
<b>Budget Requirement</b>	<b>259,724</b>	<b>261,689</b>	<b>263,718</b>	<b>265,812</b>	<b>267,975</b>
<b>Other Grant Funding (Specific and Outcome Agreement Grant)</b>	34,764	34,764	34,764	34,764	34,764
<b>Total Funding</b>	<b>294,488</b>	<b>296,453</b>	<b>298,482</b>	<b>300,576</b>	<b>302,739</b>
<b>Expenditure</b>					
<b>Base Budget Rolled Forward</b>	<b>293,346</b>	<b>302,969</b>	<b>311,125</b>	<b>318,446</b>	<b>325,002</b>
Inflation (Pay/Price/NSI/Income)	4,027	4,128	4,237	4,352	4,473
<b>Shortfall after roll forward budget plus inflation</b>	<b>(2,885)</b>	<b>(10,644)</b>	<b>(16,880)</b>	<b>(22,221)</b>	<b>(26,736)</b>
Previous Years Decisions	2,808	2,743	252	29	-
<b>Revised Shortfall</b>	<b>(5,693)</b>	<b>(13,387)</b>	<b>(17,132)</b>	<b>(22,250)</b>	<b>(26,736)</b>
Demand/Externally influenced costs/efficiencies	1,288	(216)	1,332	676	253
<b>Revised Shortfall</b>	<b>(6,981)</b>	<b>(13,171)</b>	<b>(18,464)</b>	<b>(22,926)</b>	<b>(26,989)</b>
Future Investment/Growth	1,500	1,500	1,500	1,500	1,500
<b>Funding Shortfall / (Available)</b>	<b>(8,481)</b>	<b>(14,671)</b>	<b>(19,964)</b>	<b>(24,426)</b>	<b>(28,489)</b>
<b>Total Expenditure</b>	<b>302,969</b>	<b>311,125</b>	<b>318,446</b>	<b>325,002</b>	<b>331,229</b>
<b>Funding Shortfall / (Available)</b>	<b>(8,481)</b>	<b>(14,671)</b>	<b>(19,964)</b>	<b>(24,426)</b>	<b>(28,489)</b>

## Impact of Potential WG reduction on RSG

Revised shortfall if Scenario 1	(6,525)	(12,715)	(18,008)	(22,470)	(26,533)
Revised shortfall if Scenario 2	(7,706)	(13,896)	(19,189)	(23,651)	(27,714)