



CABINET MEETING

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

EXECUTIVE SUMMARY

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

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

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

Council Fund

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

Housing Revenue Account

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

RECOMMENDATIONS

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

REPORT DETAILS

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

1.04	Council Fund Latest in Year Forecast																																																																									
	The table below shows the projected position by portfolio.																																																																									
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1.05	The reasons for the projected variances are summarised within Appendix 2 with key significant portfolio variances explained in paragraphs 1.07 to 1.08.																																																																									
1.06	Significant Budget Movements between Original and Revised Budget There were no significant budget movements between portfolios this month.																																																																									
1.07	Streetscene and Transportation There is a significant variance within the portfolio of £0.642m which is a decrease of £0.137m from month 8. As referenced in 1.03 grant funding has been offered by Welsh Government to offset some of the costs incurred in securing the school and public transport subsidised routes. Negotiations are ongoing between the neighbouring authorities over the distribution of the grant, however an estimate has been included in the Streetscene & Transportation outturn in month 9 for Flintshire County Council's proportion of this grant. Full details of all other variances are given in Appendix 2.																																																																									

1.08	Social Services	<p>As a result of ongoing negotiations with Betsi Cadwaladr University Health Board as the funding partner in the joint use of the Continuing Health Care (CHC) Fund, agreement has been reached that the Health Board will increase the funding for a number of our high cost Learning Disability care packages which has led to a positive movement on the overall position for Social Services of £0.452m. This is broken down as £0.225m for 2015/16 and £0.227m for 2016/17. A similar amount to the 2016/17 amount can be expected for 2017/18 and subsequent years providing care packages remain stable.</p>																																												
1.09	<p>As previously reported a review of existing budgets has been undertaken with a view to realigning to closer match client actuals and recommended that the following areas to be vired.</p>																																													
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APPENDIX A

	implementation ahead of completion of the Month 10 budget monitoring report.																																																																						
1.11	<p>Programme of Efficiencies</p> <p>The 2016/17 budget contains £11.282m of specific efficiencies which are being tracked and monitored. An amount of £0.761m was approved from the contingency reserve in the month 4 report to meet the impact of conscious decisions to change proposals for household recycling centres, community asset transfers, town centre car parking charging and workforce essential car user allowances resulting in a revised efficiency target of £10.521m.</p>																																																																						
1.12	Appendix 3 provides detail on the latest position where there is a variation to the level of efficiency achievable compared to the budget.																																																																						
1.13	<p>This shows that it is currently projected that £9.384m (89%) will be achieved resulting in a net underachievement of £1.137m - a decrease of £0.014m. The changes in efficiency assumptions since month 8 are summarised below:</p> <table border="1"> <thead> <tr> <th>Portfolio</th> <th>Original Efficiency 2016/17 £(m)</th> <th>Previous Month Revised Efficiency 2016/17 £(m)</th> <th>Current Month Revised Efficiency 2016/17 £(m)</th> <th>Increase/(Decrease) between months 2016/17 £(m)</th> </tr> </thead> <tbody> <tr> <td>Central & Corporate Finance</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Workforce Efficiency</td> <td>0.500</td> <td>0.222</td> <td>0.224</td> <td>0.002</td> </tr> <tr> <td>Chief Executive</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Voluntary Sector Grants review</td> <td>0.070</td> <td>0.090</td> <td>0.080</td> <td>(0.010)</td> </tr> <tr> <td>People & Resources</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Finance Modernisation</td> <td>0.135</td> <td>0.092</td> <td>0.108</td> <td>0.016</td> </tr> <tr> <td>Community & Enterprise</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Telephone Contact Centre Savings</td> <td>0.100</td> <td>0.025</td> <td>0.000</td> <td>(0.025)</td> </tr> <tr> <td>Energy Efficiency Framework</td> <td>0.050</td> <td>0.050</td> <td>0.030</td> <td>(0.020)</td> </tr> <tr> <td>SHARP Framework</td> <td>0.020</td> <td>0.020</td> <td>0.000</td> <td>(0.020)</td> </tr> <tr> <td>Council Tax Reduction Scheme</td> <td>0.329</td> <td>0.591</td> <td>0.619</td> <td>0.028</td> </tr> <tr> <td>Streetscene & Transportation</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Car Parking Charges</td> <td>0.200</td> <td>0.165</td> <td>0.180</td> <td>0.015</td> </tr> </tbody> </table>	Portfolio	Original Efficiency 2016/17 £(m)	Previous Month Revised Efficiency 2016/17 £(m)	Current Month Revised Efficiency 2016/17 £(m)	Increase/(Decrease) between months 2016/17 £(m)	Central & Corporate Finance					Workforce Efficiency	0.500	0.222	0.224	0.002	Chief Executive					Voluntary Sector Grants review	0.070	0.090	0.080	(0.010)	People & Resources					Finance Modernisation	0.135	0.092	0.108	0.016	Community & Enterprise					Telephone Contact Centre Savings	0.100	0.025	0.000	(0.025)	Energy Efficiency Framework	0.050	0.050	0.030	(0.020)	SHARP Framework	0.020	0.020	0.000	(0.020)	Council Tax Reduction Scheme	0.329	0.591	0.619	0.028	Streetscene & Transportation					Car Parking Charges	0.200	0.165	0.180	0.015
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1.14	<p>Inflation</p> <p>Included within the 2016/17 budget are provision for pay (£0.936m), targeted</p>																																																																						

	price inflation (£0.573m) and income (£0.185m).																																																
1.15	Following the allocation to portfolios of the provisions described in paragraph 1.14 there is a remaining balance of £0.070m which is included within the overall outturn figure.																																																
1.16	No provision has been made for non-standard inflation (NSI) in 2016/17. Areas that may be subject to NSI increases will be monitored throughout the year and any emerging pressures will be considered in future reports.																																																
	Reserves and Balances																																																
1.17	Un-earmarked Reserves The 2015/16 outturn reported to Cabinet on 19 July 2016 showed un-earmarked reserves at 31 March 2016 (above the base level of £5.769m) of £4.375m.																																																
1.18	Taking into account the current projected overspend at Month 9 and previously agreed allocations the balance on the Contingency Reserve at 31 March 2017 is projected to be £5.279m as detailed in appendix 4.																																																
1.19	Earmarked Reserves The Council adopted a reserves protocol in September 2015 which set out the principles around how the Council determines, manages and reviews its level of reserves. Within the protocol is reference to regular reporting of the latest position to Cabinet and Corporate Resources Overview and Scrutiny Committee.																																																
1.20	The table below gives a summary of earmarked reserves as at 1 April 2016 and provides an estimate of projected balances as at the end of the current financial year.																																																
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	Design Fees	200,000	200,000
	Winter Maintenance	250,000	250,000
	Car Parking	86,284	0
	Insurance Funds	1,221,558	1,405,000
	Cash Receipting Review	241,295	0
	Grants & Contributions	2,737,077	1,040,470
	Total	27,745,323	15,588,601

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

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 eight months and the risks as known.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.

4.00	RISK MANAGEMENT
4.01	Achievement of Planned In-Year Efficiencies The Council sets a challenging level of specified efficiencies to be achieved in-year as part of its approach to annual budget planning. These efficiencies are generated from the three year service portfolio business plans and from corporate financial planning. In recent years the level of efficiency achievement has averaged at around 85%. The current assessment of the efficiency profile for 2016/17 shows that 89% of the efficiencies would be achieved. There is an ongoing risk that the shortfall cannot be mitigated other than by drawing on temporary funding from the Contingency Reserve. There is a further risk that any ongoing under-achievement of efficiencies will have a recurring and negative impact on the 2017/18 budget as an efficiency target deficit would in effect be carried

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

	complex needs. Capacity has been increased to help respond to increasing service demand and to provide a greater range of targeted community support, the month 9 report contains a recommended realignment of budget from within Social Services as potential mitigation of this risk. Risk status: unstable/amber risk.
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5.00	APPENDICES
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

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None required Contact Officer: Sara Dulson Telephone: 01352 702287 E-mail: sara.dulson@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	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.
7.02	Council Fund: the fund to which all the Council's revenue expenditure is charged.
7.03	Financial Year: the period of twelve months commencing on 1 April.
7.04	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.
7.05	Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.
7.06	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

APPENDIX A

	level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.
7.07	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.
7.08	Underspend: when referring to expenditure the actual expenditure incurred is less than budget. Shown as a -ve. When referring to income the actual income achieved exceeds the budget. Shown as a -ve.
7.09	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.
7.10	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.
7.11	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.
7.12	Minimum Revenue Provision (MRP): A charge made to the Council Fund to repay borrowing taken out for capital expenditure. Authorities must determine their own prudent MRP charge each year, taking into consideration statutory guidance issued by the Government.

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £25k
Social Services		
Older People		
Other Minor Variances	(0.032)	This variance comprises of a number of variances less than £0.025m. The most significant being (£0.024m) on the Localities service.
Disability Services		
Resources & Regulated Services	(0.155)	Additional allocation of £0.146m from the budget strategy reserve to meet shortfall against costs of inflationary uplifts paid to external care providers from April 2016.
Disability Services	0.071	Movement of staffing budgets to Administrative Support as part of review of service structures
Administrative Support	(0.542)	Additional joint funding income from BCUHB plus movement of staffing budgets as part of review of service structures.
Other Minor Variances	0.024	This variance comprises of a number of variances less than £0.025m. The most significant being £0.017m on the Transition & Disability service.
Mental Health Services		
Social Links	(0.031)	Movement of staff across other areas of Mental Health services
Residential Placements	(0.052)	Additional joint funding income from BCUHB for 2 service users
Other Minor Variances	0.034	This variance comprises of a number of variances less than £0.025m. The most significant being £0.019m on the Community Living service and £0.020m on the Employment and Occupation service.
Children's Services		
Family Placement	0.062	Additional demand for special guardianship payments and adoption orders
Professional Support	(0.058)	Reduced use of agency staff within Prevention and Support and Special Placements teams.
Other Minor Variances	0.042	This variance comprises of a number of variances less than £0.025m. The most significant being £0.024m on the Prevention & Support service.

Development & Resources		
Business Systems & Financial Assessments	(0.051)	Additional savings in staffing due to vacant posts
Good Health	0.029	Transfer of Voluntary Organisation payments from Mental Health services
Other Minor Variances	(0.022)	This variance comprises of a number of variances less than £0.025m. The most significant being (£0.016m) on Charging Policy Income and (£0.014m) on the Commissioning service.
Total Social Services	(0.683)	
Community & Enterprise		
Customer And Housing Services	0.003	Contact centre review shortfall £0.025m. Other minor variances £0.022m.
Council Fund Housing	(0.004)	Minor variances.
Regeneration	(0.033)	Additional roundabout sponsorship income of £0.026m. Other minor variances £0.007m.
Revenues & Benefits	(0.075)	Further underspend on the Council Tax Reduction Scheme provision (£0.010m). Increased surplus on the Council Tax Collection Fund (£0.014m). In-year vacancy savings in the revenues service (£0.056m). Other minor variances £0.005m.
Housing Programmes	0.047	SHARP framework delay £0.020m. Other minor variances £0.027m.
Total Community & Enterprise	(0.062)	
Streetscene & Transportation		
Ancillary Services & Performance		
Waste Collection	0.045	Adverse movement on gas engine income and cumulative minor variances within waste services
Other Minor Variances	(0.030)	This variance comprises of a number of variances less than £0.025m. The most significant being (£0.012m) on Business Strategy.
Highways Network		
Highways Network	0.030	Cumulative minor variances within highways services
Transportation & Logistics		
Transportation	(0.175)	Movement mostly relates to additional funding from Welsh Government in relation to provision of transport.
Other Minor Variances	(0.007)	
Total Streetscene & Transportation	(0.137)	

Planning & Environment		
Business		
Minor Variances	(0.005)	
Community		
Minor Variances	(0.006)	
Development		
Development Management	0.048	Reduced projection for Planning Fee Income based on latest position.
Minor Variances	(0.004)	
Access		
Public Rights Of Way	(0.023)	In-year savings on Grass cutting due to weather restrictions
Minor Variances	(0.005)	
Strategy		
Planning Policy	(0.038)	Reduced commitment to LDP planned spend due to delay in commissioning the Urban Capacity Study.
Minor Variances	0.002	
Management Strategy		
Other Minor Variances	(0.013)	
Total Planning & Environment	(0.044)	
Education & Youth		
Inclusion & Progression	(0.046)	Variance largely relates to a favourable movement on Out of County placements projected expenditure, includes other minor variances.
Other Minor Variances	(0.007)	
Total Education & Youth	(0.053)	
Schools	0.000	
People & Resources		
HR & OD	(0.001)	Minor variances.
Corporate Finance	(0.026)	Additional Grant income (£0.010m) and reduction in employee costs (£0.012m). Minor variances (£0.004m).
Total People & Resources	(0.028)	

Governance		
Legal Services	0.002	Minor variances.
Democratic Services	(0.009)	Minor variances.
Internal Audit	(0.000)	No variance.
Procurement	0.075	Variance is due to the loss of income from supplier charging.
Business Support	0.000	No variance.
ICT	(0.057)	Variance is due to delayed recruitment to vacancies within the service.
Total Governance	0.011	
Organisational Change 1		
Museums	0.005	Minor variances.
County Archives	0.004	Minor variances.
Leisure	0.006	Minor variances.
Community Assets	0.002	Minor variances.
Total Organisational Change 1	0.017	
Organisational Change 2		
Administrative Buildings	(0.002)	Minor variances.
Agricultural Estates	(0.005)	Minor variances.
Property Asset And Development	(0.005)	Minor variances.
CPM & Design Services	(0.022)	Additional maintenance and design fees.
Industrial Units	0.013	Minor variances.
Catering	(0.003)	Minor variances.
Cleaning	(0.008)	Minor variances.
Minor Variances	(0.003)	
Total Organisational Change 2	(0.036)	
Chief Executive	0.004	Minor variance.
Central and Corporate Finance	(0.001)	
Grand Total	(1.011)	

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Social Services						
Older People						
Localities	15.722	15.036	(0.687)	(0.662)	Domiciliary Care reflects a projected underspend of (£0.235m) based on existing service users and the budget realignment exercise and is influenced by recruitment and retention factors some areas of recurring saving are affecting external providers. Other significant proposed as realignment options as part influences on this projected underspend include of the recommendation included within Minor Adaptations (£0.099m) for which local demand is currently being met by the Intermediate Care Fund (ICF). Additional one off income has also been received from the ICF to contribute to external provider fee increases. Other underspends are as a result of full year vacancy savings from within the Single Point of Access team (£0.135m). Residential Care has a projected underspend of (£0.141m), including property income of (£0.023m) and service user contributions of (£0.091m). Locality teams staffing reflects a projected underspend of (£0.061m) due to short term vacancy savings. Overall net minor variances amount to (£0.016m).	These areas have been reviewed within the budget realignment exercise and some areas of recurring saving are proposed as realignment options as part of the recommendation included within this report.
Reablement Services	0.444	0.393	(0.050)	(0.053)	The projected underspend is due to unbudgeted additional Continuing Health Care (CHC) funding from Betsi Cadwalader University Health Board (BCUHB) which is one off.	Maintain underspend in current financial year, pending realignment from 2017/18 North East Wales Community Equipment Store to meet revenue costs of the new Flint (NEWCES), the contribution levels of partners Extra Care scheme.
Community Equipment Contribution	0.477	0.323	(0.154)	(0.154)	Following review of and implementation of an updated Section 33 partnership agreement for the year, pending realignment from 2017/18 North East Wales Community Equipment Store to meet revenue costs of the new Flint (NEWCES), the contribution levels of partners have been updated resulting in a reduced level of contribution from FCC going forward.	Maintain underspend in current financial year, pending realignment from 2017/18 North East Wales Community Equipment Store to meet revenue costs of the new Flint (NEWCES), the contribution levels of partners Extra Care scheme.

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Resources & Regulated Services	6.035	5.773	(0.262)	(0.250)	Short term vacancy savings within provider day care services and extra care schemes plus reduced projections for internal catering recharges at Residential Care homes.	These areas have been reviewed within the budget realignment exercise and some areas of recurring saving are proposed as realignment options as part of the recommendation included within this report.
Minor Variances	0.195	0.196	0.001	0.000		
Disability Services	19.589	19.696	0.107	0.710		Ongoing budget review and realignment work is taking place.
Resources & Regulated Services	17.560	18.237	0.676	0.831	Service user demand level is in excess of current budget provision. A number of budget areas have been reviewed and realigned and projections revised. There is a reduction in the level of pressure as a result of the allocation of £0.146m for external providers fee increase from the budget strategy reserve to meet a shortfall against the increases made to external providers from April 2016.	
Forensic budget	0.529	0.326	(0.203)	(0.211)	There is a significant projected underspend of (£0.203m) based on current projected costs and increased income from joint funded packages.	Keep under review
Administrative Support	0.036	(0.260)	(0.296)	0.247	This projected underspend is influenced by additional joint funding income from Betsi Cadwaladr University Health Board (BCUHB). The income relates to 4 service users from April 2015 and is the outcome of a lengthy disputes process for such cases.	This is being considered as part of the ongoing realignment within Disability Services.
Minor Variances	1.463	1.393	(0.071)	(0.157)		
Mental Health Services						
Substance Misuse	0.274	0.343	0.069	0.066	Pay cost pressures in a number of areas together with a reduced income commitment for the Substance Misuse Action Fund (SMAF) grant.	Under review.
Minor Variances	3.334	3.286	(0.048)	0.005		

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Children's Services						
Family Placement	2.394	2.503	0.110	0.047	Demand influenced pressures in respect of special guardianship payments and adoption orders.	A recommendation is made within this report to partly address this pressure by way of budget realignment.
Residential Placements	0.398	0.472	0.074	0.073	The level of projected overspend reflects the current projected costs of residential placements.	All placements are made through a robust panel process which ensures that placements are only made when no alternative method of support can be optimised - continue monitoring of current placement costs.
Professional Support	4.638	5.266	0.628	0.686	Demand influenced staffing pressures within a number of teams including Children's Integrated Disability Service (CIDS), prevention and support.	These areas have been reviewed as part of the budget realignment exercise and this report recommends that some Demand influenced transport pressures within recurring savings from other areas of Family Intervention and Leaving Care and service are realigned into this service to alleviate some of the budget pressure.
Out of County Placements	3.434	4.060	0.626	0.626	There has been an unprecedented increase in the number of Child and Parent placements, being 8 placements of which 7 have been the subject of court/legal determinations.	Keep under review.
Minor Variances	1.273	1.201	(0.072)	(0.113)		

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Development & Resources						
Business Systems & Financial Assessments	0.832	0.740	(0.092)	(0.041)	Savings arising from a number of vacant posts and other savings on equipment rental and IT software and hardware.	These areas have been reviewed as part of the budget realignment exercise and this report recommends that some recurring savings are realigned to address budget pressures in other service areas.
Charging Policy income	(1.929)	(2.075)	(0.146)	(0.130)	The increase in income is due to changes in the treatment of certain disregards within service user financial assessments.	Some of this underspend is recommended to be realigned to address budget pressures in other areas of the service. The remainder is committed as part of the funding strategy for the new extra care facilities.
Business Support Service	1.224	1.109	(0.114)	(0.118)	This is a new service bringing together generic administration capacity from a number of portfolios following the cross organisation review of Administration. the savings arise mainly from vacancies plus an element of non staff savings such as stationery.	Some of this underspend is recommended to be realigned to address budget pressures in other areas of the service.
Safeguarding Unit	0.821	0.917	0.096	0.093	The projected overspend is a combination of additional legal and medical costs associated with the Deprivation of Liberty Safeguarding (DOLS) assessments and a contribution to the North Wales Safeguarding Board.	Continue to monitor and review
Good Health	0.915	0.808	(0.107)	(0.136)	The projected underspend is mainly due to short term vacancy savings and reductions in payments to voluntary organisations.	Continue to monitor and review
Minor Variances	0.761	0.693	(0.067)	(0.054)		
Total Social Services	60.829	60.742	(0.087)	0.595		

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Community & Enterprise						
Customer And Housing Services	1.320	1.314	(0.005)	(0.009)	Implementation of the Contact Centre Review is expected to begin towards the end of the 2016/17 financial year resulting in a shortfall of £0.100m. Flintshire Connects efficiency (£0.037m). Customer Services efficiencies due to reduced running costs and additional Welsh Translation income of (£0.024m). Other Customer and Housing Services efficiencies identified resulting from vacancy and other service savings of (£0.044m).	Continue to monitor and review.
Council Fund Housing	(0.324)	(0.335)	(0.012)	(0.008)	Accommodation Support vacancy savings of (£0.113m) identified to offset the pressures on Telecare resulting from increased call monitoring charges of £0.020m, equipment purchase and repairs of £0.030m and reduced Telecare income of £0.054m. Other minor variances of (£0.003m).	Continue to monitor and review.
Regeneration	0.377	0.374	(0.003)	0.031	Estimated shortfall of £0.049m in markets due to income targets increasing in line with inflation each year, whereas charges have not increased at the same rate. Regeneration efficiency due to the reallocation of officer time to specific grants (£0.030m). Additional income in respect of Roundabout Sponsorship in Year (£0.026m). Other minor variances £0.004m.	Continue to monitor and review.
Revenues & Benefits	10.886	10.266	(0.620)	(0.545)	Projected underspend on the budgeted provision for the Council Tax Reduction Scheme of (£0.290m). Projections indicate an anticipated surplus on the Council Tax Collection Fund of (£0.314m). In-year vacancy savings in the revenues service (£0.056m). Other minor variances £0.040m.	Continue to monitor closely as these areas are highly volatile and projections are likely to change.

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Programmes	0.178	0.260	0.081	0.035	Pressure of £0.055m on the SHARP programme relating to feasibility works at the Flint Police Station site. If the scheme is approved prior to year end, this cost will be capitalised. A delay in the progression of the SHARP framework has resulted in a variance of £0.020m. Other minor variances £0.006m.	Continue to monitor and review.
Minor Variances	0.000	0.000	0.000	(0.000)		
Total Community & Enterprise	12.437	11.879	(0.558)	(0.496)		
Streetscene & Transportation						
Ancillary Services & Performance						
Waste Collection	7.425	7.717	0.292	0.247	Solar Energy Production at Landfill commenced from October, resulting in an in-year shortfall of £0.070m. Adverse variance of £0.290m relating to reduced electricity sales from reducing levels of gas extraction at the Standard and Brookhill landfill sites. Final part-year reduced payment of prudential borrowing for black bins (£0.100m). Improved position from recycling income of (£0.170m). Additional costs for disposal of hazardous waste from HRC sites £0.050m. Increased cost for the collection of bulky items £0.040m. Additional plant hire costs across the service of £0.045m and cumulative minor variances within waste services of £0.067m.	Gas engine income levels are being monitored monthly and contracts being prepared for the service to be outsourced. Reported in Programme Tracker. Budget Pressure in 2017/18 relating to the ESD grant. WG have confirmed a 6.7% reduction in the grant.
Other Minor Variances	0.653	0.618	(0.036)	(0.006)		

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Highways Network	7.461	7.571	0.110	0.081	Due to ongoing discussions on Community Asset Transfers (CATs), the maintenance liability being transferred for Cemeteries to Town/Community Councils totalling £0.050m has not yet been implemented. Probation Service Litter Collection will be implemented later than anticipated, totalling £0.050m. £0.061m of improvement works on the Bagill flooding event has been capitalised in the land drainage programme. Additional costs and staff time still being picked up by the area teams for ongoing maintenance works. Cumulative minor variances within highways services of £0.010m.	Keep under review as part of MTFS. Reported in Programme Tracker.
Transportation & Logistics						
Logistics & Resource Services	4.524	4.602	0.078	0.078	Neighbouring Authorities not willing to share specialist plant, £0.050m. Further overspends relate to minor variances across the service area.	Keep under review as part of MTFS. Reported in Programme Tracker.
School Transport	4.972	5.105	0.133	0.128	Estimated additional subsidy costs following re-procurement for covering former GHA services for school transport following the company going into liquidation of £0.125m.	WG have been consulted upon with regard to funding the additional costs. Funding highly unlikely due to Statutory provision requirements. Therefore, consideration will be required in the MTFS 2017/18 taking account of full year effect.

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Transportation	1.928	2.030	0.102	0.277	Estimated additional subsidy costs following re-procurement for covering former GHA services funding is forthcoming after 2016/17, following the company going into liquidation of £0.285m. This includes the costs of former commercial services routes. Additional bus revenue funding of £0.300m has been awarded in 2016-17 for the North Wales Authorities, of which at this stage it has been assumed that FCC will receive up to £0.200m pending further discussions with the Authorities concerned.	Consideration in MTFS 2017/18 if no WG funding is forthcoming after 2016/17, taking account of full year effect.
Other Minor Variances	1.563	1.525	(0.038)	(0.026)		
Total Streetscene & Transportation	28.527	29.169	0.642	0.779		

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Planning & Environment						
Business						
Pollution Control	0.474	0.539	0.065	0.063	Additional costs for 2x temporary EHO posts (funding due from Corporate) plus 1 EHO post funded by SLA with Community & Enterprise.	Continue to monitor expenditure and reduce/remove commitments where possible.
Minor Variances	1.158	1.131	(0.027)	(0.021)		
Community						
Licensing	(0.017)	(0.072)	(0.055)	(0.047)	Higher than expected levels of Licensing income .	Continue to monitor expenditure and reduce/remove commitments where possible.
Minor Variances	0.932	0.869	(0.063)	(0.065)		
Development						
Development Management	(0.339)	(0.003)	0.336	0.288	Shortfall from Planning Application Fee income, at period 09 the shortfall has increased to £275k and fee income received as the economy has not continued to recover to the extent which the 3 year Business Plan forecast. This has resulted in a lesser volume of applications being submitted than previously predicted.	Continue to monitor application numbers
Minor Variances	0.190	0.188	(0.002)	0.002		
Access						
Minor Variances	1.322	1.266	(0.056)	(0.028)	This variance is due to a number of small variances (each less than £0.050m) within the Access service.	Continue to monitor expenditure and reduce/remove commitments where possible.
Shared Services						
Shared Services	0.165	0.165	(0.000)	0.000	No variance.	Continue to monitor expenditure and reduce/remove commitments where possible.

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Strategy						
Strategy	0.832	0.840	0.008	0.044	Minor variances.	Continue to monitor committed expenditure and reduce/remove commitments where possible.
Management Strategy						
Management Strategy	0.412	0.484	0.072	0.085	Unachieved business efficiencies	Continue to monitor committed expenditure and reduce/remove commitments where possible.
Total Planning & Environment						
Total Planning & Environment	5.130	5.407	0.277	0.321		
Education & Youth						
Inclusion & Progression	7.075	7.095	0.020	0.066	Favourable variance movement on Out of County placements. Includes other minor variances.	A Task and Finish group is operational. An Invest to Save post has been identified to support a reduction in the overspend. Improved monitoring systems are being developed and implemented. Detailed review of all placements is ongoing.
Minor Variances	4.349	4.277	(0.073)	(0.065)	This variance is due to a number of small variances (each less than £0.050m) within the Education & Youth portfolio.	
Total Education & Youth						
Total Education & Youth	11.424	11.371	(0.053)	0.000		
Schools						
Schools	87.742	87.742	(0.000)	(0.000)		

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
People & Resources						
HR & OD	2.280	2.204	(0.076)	(0.074)	The projected underspend is mostly due to current workforce vacancies.	Continue to monitor and review.
Corporate Finance	2.388	2.436	0.048	0.075	Minor variances.	Continue to monitor and review.
Minor Variances	0.000	0.000	0.000	0.000		
Total People & Resources	4.668	4.640	(0.027)	0.000		
Governance						
Legal Services	0.642	0.680	0.038	0.036	Minor variances.	Continue to monitor and review.
Democratic Services	1.872	1.885	0.013	0.022	Minor variances.	Continue to monitor and review.
Internal Audit	0.434	0.365	(0.068)	(0.068)	The projected underspend is due to workforce vacancies.	Current vacancies are expected to remain vacant until the end of the financial year while the level of service is being assessed with this reduced capacity.
Procurement	0.166	0.272	0.106	0.031	No income is projected for supplier charging.	The impact of no longer charging suppliers £50 for access to Flintshire County Councils software purchasing portal will result in an ongoing pressure which will need to be considered as part of the MTFS.
Business Support	0.001	0.001	0.000	0.000	No variance.	
ICT	4.602	4.588	(0.014)	0.043	Minor variance.	Continue to monitor and review.
Minor Variances	0.000	0.000	0.000	0.000	No variance.	
Total Governance	7.716	7.791	0.075	0.064		

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Organisational Change 1						
Public Libraries & Arts, Culture & Events	1.602	1.586	(0.016)	(0.016)	Minor variances.	Continue to monitor and review.
Museums	0.064	0.070	0.005	0.000	Minor variances.	Continue to monitor and review.
County Archives	0.281	0.281	0.000	(0.004)	Minor variances.	Continue to monitor and review.
Leisure	4.000	4.099	0.099	0.093	The CAT transfer at Holywell Leisure Centre is As reported at Cabinet on 17th January, now expected to be phased between the end of the 2016/17 and 2017/18 budgets will be December 2016 and 1st March 2017. This results used to deliver the Play Areas and Play in a pressure of £0.070m this year which is Scheme programme. We request to associated with continuing to operate the centre carry forward £0.105m for the play area as a Council prior to full handover to the community to ensure continuity of operation. Other minor variances of £0.029m.	Keep under review.
Community Assets	0.024	0.026	0.002	0.000	Minor variances.	Continue to monitor and review.
Minor Variances	0.000	0.000	0.000	0.000	No variance.	
Total Organisational Change 1	5.972	6.062	0.091	0.073		
Organisational Change 2						
Property Asset And Development	0.590	0.305	(0.286)	(0.280)	(£0.260m) salary savings as a result of the proposed staffing restructure. (£0.026m) minor variances.	Keep under review.
CPM & Design Services	0.703	0.550	(0.152)	(0.130)	(£0.152m) additional income projected as a result of an increase in maintenance and design fees.	Keep under review.
Industrial Units	(1.239)	(1.045)	0.194	0.181	£0.194m shortfall in industrial rent which is being met from in-year salary savings.	Keep under review.
Catering	0.792	0.692	(0.100)	(0.097)	(£0.100m) additional income from increased school meal uptake and increased uptake in the Bistro.	Keep under review.
Minor Variances	1.726	1.659	(0.067)	(0.049)		
Total Organisational Change 2	2.572	2.160	(0.412)	(0.376)		

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Chief Executive	3.154	3.116	(0.038)	(0.042)	Minor variance.	Continue to monitor and review.
Central and Corporate Finance	21.814	19.817	(1.996)	(1.995)	An underspend of (£2.998m) within the Central Loans and Investment Account, (£0.111m) is due to reduced level of borrowing, and higher than projected income from investments, (£2.887m) is due changes to the Minimum Revenue Provision (MRP) policy as agreed by Cabinet on 6th December 2016. Additional Matrix Rebate income of (£0.135m).	Central Loans and Investment Account, keep under review.

Workforce Efficiencies showing underachievement of £0.278m.	Pressure included in 2017/18 Budget.
Additional Income Generating Activities, an in-year underachievement of £0.300m, though work is continuing to identify areas of opportunity.	Continue to review additional income generation opportunities as part of Deloitte's review.
In year pressure £0.193m due to non domestic rates liability on a Commercial Property.	Pressure included in 2017/18 budget.
In year underspend on Audit Fees of (£0.088m). Windfall Income, in year pressure £0.125m.	Keep under review.

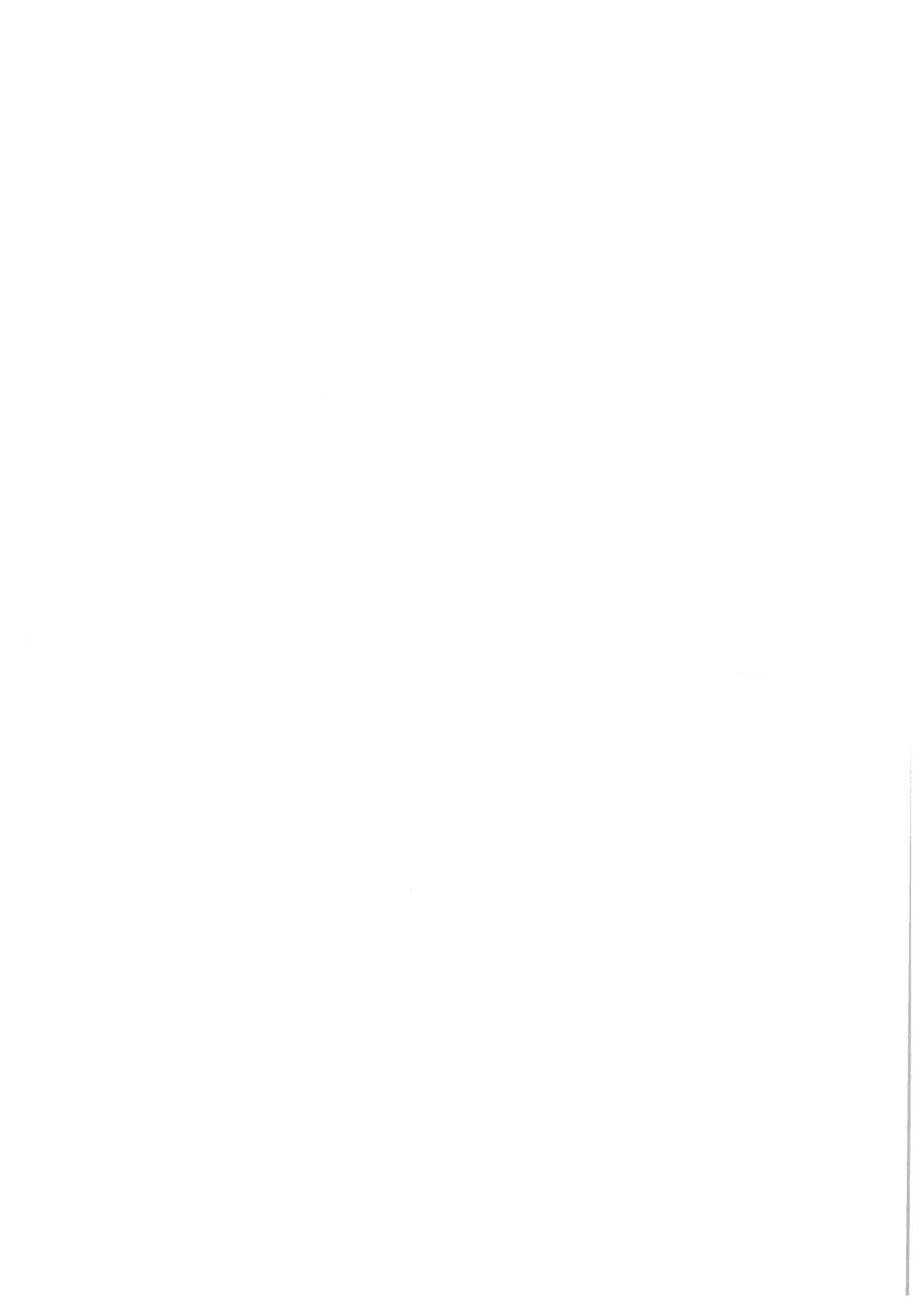
Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
					Pension Deficit Recovery pressure of £0.245m, due to opt out rates.	Keep under review and consider impact alongside actuarial review.
					There is an underspend of (£0.070m) on centrally held inflation.	Keep under review in case of any emerging in-year issues.
					Support Service areas have decreased, impacting on the recharge by £0.140m.	Support Services, work is ongoing to review the impact.
Grand Total	251.984	249.897	(2.087)	(1.076)		

2016/17 Efficiencies Outturn - Under or Over Achieved

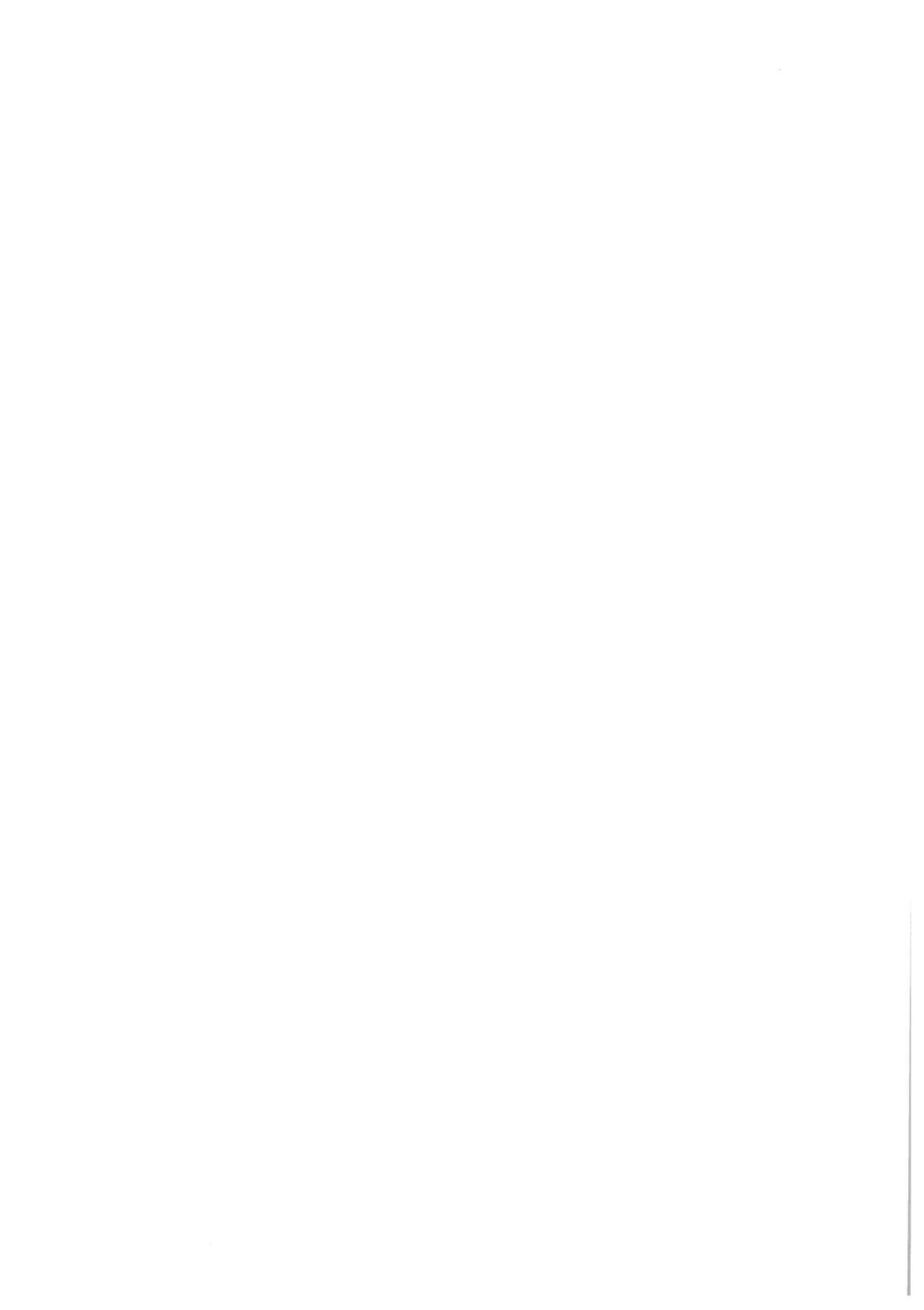
	Original Efficiency	Revised Efficiency	(Under)/Over Achievement
	2016/17 £(m)	2016/17 £(m)	2016/17 £(m)
Portfolio			
Central & Corporate Finance			
Additional Income Generating Activities.	0.500	0.200	(0.300)
Workforce Efficiency.	0.500	0.224	(0.276)
Total Central & Corporate Finance	1.000	0.424	(0.576)
Chief Executive's			
Voluntary Sector Grants review.	0.070	0.080	0.010
Total Chief Executive's	0.070	0.080	0.010
People & Resources			
Finance Modernisation	0.135	0.108	(0.027)
Total People & Resources	0.135	0.108	(0.027)
Education & Youth			
School Modernisation.	0.187	0.123	(0.064)
Total Education & Youth	0.187	0.123	(0.064)
Organisational Change 1			
Community Asset Transfers.	0.544	0.474	(0.070)
Total Organisational Change 1	0.544	0.474	(0.070)
Organisational Change 2			
CCTV - Staff reductions.	0.040	0.020	(0.020)
Other - Campus Management.	0.030	0.015	(0.015)
Other - Maintenance.	0.005	0.015	0.010
Total Organisational Change 2	0.075	0.050	(0.025)
Community & Enterprise			
Telephone Contact Centre savings.	0.100	0.000	(0.100)
Energy Efficiency Framework.	0.050	0.030	(0.020)
SHARP Framework.	0.020	0.000	(0.020)
Galw Gofal Contract Fees.	0.030	0.015	(0.015)
Council Tax Reduction Scheme.	0.329	0.619	0.290
Total Community & Enterprise	0.529	0.664	0.135
Streetscene & Transportation			
Shared Specialist Plant with neighbouring authority.	0.050	0.000	(0.050)
Introduce non-generic streetscene roles (3 year plan).	0.115	0.085	(0.030)
Develop energy production at landfill.	0.100	0.035	(0.065)
Remove the existing policy of returning for missed bin waste collections.	0.075	0.035	(0.040)
Construction of a waste handling and biomass production facility at Greenfield.	0.100	0.080	(0.020)
Car Parking Charges.	0.200	0.180	(0.020)
Charge maintenance of Bus Shelters to Community & Town Councils.	0.020	0.000	(0.020)
Remove the subsidy for the Community Rail Officer.	0.010	0.005	(0.005)
Externalise the Stores Managed Service.	0.050	0.020	(0.030)
Pass Maintenance Liability and Cleanliness of Cemeteries to Town & Community Councils.	0.050	0.000	(0.050)
Probation Service to take on Litter Collections in some areas.	0.100	0.050	(0.050)
Total Streetscene & Transportation	0.870	0.490	(0.380)
Planning & Environment			
Staffing - service review.	0.127	0.088	(0.039)
Various Planning Efficiencies.	0.101	0.000	(0.101)
Total Planning & Environment	0.228	0.088	(0.140)
	%	£	
Total 2016/17 Budget Efficiencies			11.282
Met from Contingency Reserve			0.761
Revised Efficiency Target			100
Total Projected 2016/17 Budget Efficiencies Underachieved			11
Total Projected 2016/17 Budget Efficiencies Achieved			89
			10.521
			1.137
			9.384



APPENDIX 4

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2016	10.144	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet	4.375	
Less - allocation from contingency reserve to meet historic child claims	(0.146)	
Less - allocation from contingency reserve to meet costs of summer play schemes	(0.076)	
Less - allocation from contingency reserve to meet shortfall in the essential car user allowance efficiency	(0.211)	
Less - allocation from contingency reserve to meet shortfall in the community asset transfers efficiency	(0.200)	
Less - allocation from contingency reserve to meet shortfall in the rationalisation of household recycling centres efficiency	(0.250)	
Less - allocation from contingency reserve to meet shortfall in the Flint car park income efficiency	(0.100)	
Less - allocation from contingency reserve to meet shortfall in the County Hall car park income efficiency	(0.100)	
Less - allocation from contingency reserve to meet the resource requirements for specialist social work for child protection	(0.100)	
Plus - projected underspend as at Month 9	2.087	
Total projected Contingency Reserve as at 31st March 2017	5.279	



Budget Monitoring Report
Housing Revenue Account Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(31.796)	(31.946)	(0.150)	(0.110)	The projected underspend is £0.150m. £0.029m of this figure relates to additional rent income. This is partly because tenants have moved into Custom House properties earlier than expected and also because void rent loss is less than budgeted. £0.077m relates to savings on void properties such as council tax and costs of respite. £0.050m relates to the provision for bad debts on rent. The remaining £0.006m relates to minor pressures.	
Capital Financing - Loan Charges	7.285	7.098	(0.187)	(0.187)	The projected underspend of £0.187m relates to a reduction in the anticipated borrowing costs apportioned to the HRA. This is due to the reduction in Flintshire's total borrowing requirement and the reduction in interest rates following the BREXIT referendum	
Estate Management	1.530	1.499	(0.031)	(0.031)	Minor variance	
Landlord Service Costs	1.207	1.202	(0.005)	(0.001)	Minor variance	
Repairs & Maintenance	9.546	9.043	(0.503)	(0.127)	The projected underspend of £0.503m consists of £0.092m savings on staff costs because of vacant positions. £0.065m relates to anticipated savings on fleet recharges. This is because some of the expenditure relating to work on disabled adaptations can be capitalised. £0.051m relates to reduced expenditure on materials. £0.090m relates to a reduction in recharges to other departments. £0.373m relates to savings on subcontractor budgets (see appendix 1 for narrative). The remaining £0.012m relates to minor variances.	
Management & Support Services	2.232	2.247	0.015	0.040	Minor variance	
Capital Expenditure From Revenue (CERA)	10.077	10.975	0.898	0.453	£0.888m relates to an increase in CERA which will contribute towards capital WHCS expenditure on void properties. This is a re-classification of expenditure from revenue to capital.	
Contribution To / (From) Reserves	(0.080)	(0.118)	(0.037)	(0.037)	Minor variance	
Total Housing Revenue Account	0.000	0.000	0.000	(0.000)		

