

FINANCIAL PERFORMANCE REPORT APRIL to SEPTEMBER 2007

Agenda Item 5(b)(ii)

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Background Papers:- Accountancy Estimate and budgetary control files
Financial Implications:- Addressed in report
Equalities Implications:- Not Applicable
Legal Implications:- Not Applicable
Options: Not Applicable
Risks: Sound financial management is a key element of the annual CPA – Use of Resources judgement

EXECUTIVE SUMMARY

Details of the Council's financial performance for the first half of 2007/08 are provided in the attached document. The document is divided into seven sections covering:

- General Fund overall position – predicted year end position of £308,520 under-spend (after the transfer of £367,050 to the Invest to Save Reserve agreed by Council on 5 November 2007)
- General Fund Expenditure - predicted year end position of £2,090 net under-spend
- General Fund Income - predicted year end position of £568,010 net over achievement
- Housing Transfer and Business Efficiency Review – effect of housing transfer on General Fund is net cost of £261,580
- Housing Revenue Account – predicted position to the date of transfer is an over-spend of £169,110, reducing the expected transfer to HRA balance to £1.593million.
- Reserves and Balances – predicted balances at 31 March 2008 are £2.354million General Fund and HRA £6.582million.
- Capital Programme – expenditure compared to profile to 30 September shows an under-spend of £2.006million for General Fund projects, due to various delays, and £803,000 under-spend for Housing Investment Programme.

Two spreadsheets are also attached showing the analysis of spend for revenue accounts and capital programmes. The spreadsheet of revenue spend shows the net position by business plan. The majority of plans predict either under-spends or slight over-spends with the exception of Street Scene and Public Protection and Healthy Living which forecast over-spends of £163,800 and £95,200 respectively. Whilst the finances are managed at the overall corporate level during the course of the year these areas are subject to specific review as part of the 2008/09 budget process.

DECISION

Members are asked to note the report.

THE COUNCIL'S FINANCIAL POSITION AS PROJECTED AT THE SECOND QUARTER

1. GENERAL FUND – OVERALL POSITION

Budget for the year:	£17.166m
Projected spend for the year:	£16.857m
Projected over/under-spend £/ %	Under-spend of £308,520 or 1.8% against budget

Comment and issues for the year:

The Second Quarter financial review was expanded to cover both variances arising on 'normal' activities, as well as estimating the impact on the year of the housing transfer and business efficiency review. **The net position forecast for the year is an under-spend of £308,520**, or 1.8% against a net budget of £17.661m. These figures are derived as follows:

A projected under-spend on 'normal' activities of £570,100 – comprising over achieved income of £568,010, and expenditure under-spend of £2,090, after deducting the vacancy factor within the base budget of £202,160. Further details of the variances are given in Sections 2 and 3 below, however key elements include:

Income:

- Additional one-off government grants (including a retrospective adjustment to the year 1 Local Authority Business Growth Incentive grant)
- Additional housing benefit subsidies to meet the cost benefits paid and administration
- Increased investment income – increased sums invested and higher interest rates
- Increased levels of Development control income

Expenditure:

- Staffing under-spends across services over and above the existing vacancy factor
- Increased costs in respect of leisure management for the new all weather pitch and associated facilities in Witham, and provision for the new Braintree pool.
- Higher costs associated with the concessionary fare travel scheme

In terms of the impact of the housing transfer and business efficiency review (BER) it is estimated that there will be a net cost of £261,580 to the General Fund in the current year. Further details are given in Section 4, but mainly comprise the following:

- Shortfall on recharges to the HRA for the year as most go up to transfer date only.
- Increased cost of the business efficiency review, including potential costs of implementation arising from redundancies if no suitable alternative employment is found for those members of staff under notice of redundancy.

Offset by:

- Savings and additional income to the Council from TUPE transfer of staff, BER reductions, and service level agreements (SLA's) with Greenfields.
- Additional investment income on the housing transfer receipt.

At the time of preparing the 2nd Quarter, details of the housing transfer, including SLA's between BDC and GCH, along with BER proposals, were still being worked on and therefore will be updated at subsequent quarter reviews.

2. GENERAL FUND – EXPENDITURE

Projected year-end variation		
Net under-spend of £2,090		
Key Exp. Budget Under-spends	Projected Variance	Reasons/ comments
Staffing budgets	-£345,700 Less vacancy factor = Net £143,540 under-spend	Across the Council's services it is projected that there will a net under-spend on staff costs principally due to the impact of staff turnover in terms of vacant posts, lower re-appointment costs. The main areas where these circumstances have arisen are across Exchequer services, Environmental Services, Street Scene, and Waste management. The budget includes a vacancy factor of £202,610 providing for an element of expected cost savings from staff turnover and seasonal/ flexible staffing requirements.
Depot business rates	-£18,900	One-off backdated refund of business rates where the liability amount has now been reduced.

Key Exp. Budget Over-spends		
Concessionary Fares	+£65,810	The cost of the concessionary travel scheme has been and continues to be an area of uncertainty. Uptake of the free full-fare passes is higher than originally anticipated, and the scheme of reimbursement to travel operators remains the subject of appeals and on going negotiations. A reserve was set-up in the last financial year to meet any additional costs, however, as the projected over-spend is accommodated within the overall corporate position it is not anticipated that these funds will be used for this year. Indications are that costs are likely to increase significantly in future years as reimbursement schemes are agreed, and travel concessions extend beyond local authority boundaries.
Leisure management	+£54,480	The financial arrangements for the operation of the new all weather pitch and changing facilities in Witham were agreed with the operator requiring an increase in management fee paid. In addition provision has been made in the current year whilst negotiations are continuing with the operator in respect of the new Braintree pool including any costs related to the decommissioning of the existing Riverside centre.
External Audit Fees	+£13,000	PKF have provided details of the proposed fee charges for 2007/08, which on a like for like basis have increased over 2006/07 by 3%, plus additional fees for increased Best Value Inspection work. New charges have also been introduced for Use of Resources target work covering the Council's participation in both the Essex and East of England wide health inequalities project and the Essex LAA. This extra will contribute to preparations for the forthcoming Comprehensive Area Assessment due to replace CPA from 2008/09.
Street Scene	+£69,150	There is an overall increase in operational expenditure relating to parks and open spaces, and cemeteries. These additional spending covers such things as handrails, fencing, bollards, etc, whilst there is also additional contract cleaning required at new toilets. Additional income and recovery of costs (See Section 3) means that this over-spend can largely covered from within the Street Scene service areas and has led to a budget realignment exercise as part of the 2008/09 Budget process.

3. GENERAL FUND – INCOME

Projected year-end variation		
Net over-achievement of £568,010		
Areas where income projected to be over-achieved	Reasons / comments	
Treasury Management – investment income and debt management expenses	+£292,800 (overachieved income and savings on fees)	<p>The original budget was set on the basis of a return of 4.75%. Since this time interest rates have risen, with the Base Rate currently at 5.75%, in addition uncertainty surrounding the fall out from US housing loans has increased short-term rates available in the money markets. The rate of return to the end of second quarter was 5.80% against a benchmark rate of 5.66%, and it is projected that the investment return for the year will be 5.89%. Cash balances for investment were forecast to average £30m for the year, and currently they are expected to be slightly higher at £30.9m. Based on this position it is currently projected that overall interest income will be £377,700 higher, of which £220,600 is retained in the General Fund. In addition, interest of £54,000 is being charged to capital for the acquisition of properties held for re-sale as part of a larger asset package.</p> <p>In the past out-performance on investment returns have been transferred to the treasury management reserve. With the demise of the external fund manager contract, the level of volatility in returns should reduce without exposure to the gilt market. Therefore no provision has been made to add any of the over-achieved income reported to the reserve. The balance on the reserve is currently £435,000.</p> <p>Investments will increase in light of the housing transfer receipt on which further interest will be earned – further details are set out below under in Section 4 on housing transfer/ business efficiency review.</p>
Housing benefit subsidy and overpayment recoveries	+£72,600	<p>Subsidy for benefits paid amounts to around £31m per year. The level of recovery against actual benefits paid can vary depending upon classification according to subsidy rules e.g. normal, claimant error, LA error. To project the position for the year an average recovery rate has been assumed based on the last three years, which across the three benefit type: council tax, rent allowances, and rent rebates, equate to 99.6%, which has increased the projected overall net subsidy by £36,100.</p> <p>The Council has also received £38,000 more administration subsidy than was originally allowed in the budget. However, in future years the DWP have indicated that councils will face a 5% year-on-year reduction as part of meeting the CSR2007 efficiency agenda.</p> <p>In addition to subsidy the Council can in certain circumstances recover overpayments from claimants, although the amount is inherently difficult to predict. Based on current year it is expected that this recovery will be in excess budget by £65,000. On the other hand local tax collection cost recovery is projected under achieved for the year by a similar amount and therefore it is these two budget heads will be realigned accordingly.</p>

3. GENERAL FUND – INCOME		
Development control fees and other income	+£80,520	<p>The level of development control fee income is difficult to predict, being very much demand-led. The latest projection is based on extrapolation of the current year based on experience of previous years' resulting in an estimated over-achievement of £68,000 against the budget of £532,000. For financial planning purposes it is currently being assumed that £50,000 of this increase is on going into future years. Development control fees are currently subject to DCLG consultation on proposed increases to be applied from future years.</p> <p>The service is also expected to over-achieve on a number of other income heads, e.g. for publication sales, and copies of plans.</p>
Street Scene	+£70,720	External contracts and one-off orders, plus reimbursements for highway verge cutting – the additional income offsets spending pressures referred to in Section 2 above and has been applied in a budget re-alignment exercise for the 2008/09 year.
Asset Management – commercial and other property rental income	+£26,800	It is projected that commercial property rental income will exceed budget by £26,800, or 1.5% against the budget of £1.246m, primarily due to a higher expected occupancy level. In addition ad hoc land transaction fees and legal cost recovery are forecast to be higher for the year in line with last year's outturn and current trend within the year.
Government grants	+£123,113	<p>The Council received an additional £57,695 as part of a two-year grant to support activities associated with implementing new smoke free area legislation. At present it is anticipated that the requirements could be assimilated with other enforcement roles and met from other sources of funding. Consequently, the grant is not immediately required by the service other than £6,000 in the current year, and therefore it is proposed that the balance of £51,695 be retained in a new reserve whilst these arrangements have been embedded.</p> <p>In 2005/06 the Council received Local Authority Business Growth Incentive (LABGI) grant of £23,740 (Year 1 of the scheme). Following a judicial review of the administration arrangements for the scheme, the Council has now received a further payment in respect of year 1 of £62,943. The original sum was ring fenced for meeting costs associated with preparations for 2012 and it is proposed that extra payment is set-aside to meet any future costs in relation to business improvement districts or similar types of investment.</p> <p>A further prior-year adjustment of grant of £8,475 has been received relating to gypsy and traveller sites. No commitments against this funding have been identified.</p>
Waste Management	+£44,090	Increased income is projected from recycling credits; trade waste contracts, and partnership arrangements with Uttlesford DC.
Areas where Income projected to be under achieved		Reasons / comment
Discovery Centre	£80,410 (Including an over-spend on expenditure)	It has been previously reported that the cost of operating the Centre are higher than provided in the base budget. In 2006/07 a backdated business rate refund of £65,000 effectively covered the position. The Council has now agreed a partnership arrangement, which will effectively transfer management and operation of the centre to the County Council. However, a delay in implementation has meant that there has been a further increase in the shortfall of income, totalling £62,300.

3. GENERAL FUND – INCOME

Car parking	£44,030	<p>Car parking income is derived under a number of headings:</p> <p>Pay & Display: The budget for the year is £786,140, however, last years outturn was only £706,409, and assuming a similar level this year, this would generate a shortfall of around £80,000.</p> <p>Penalty Charge Notices (PCN) off-street: The budget for the year is £80,490, whereas last year's outturn was £62,070. Based on achievement to date it is considered appropriate to anticipate a further shortfall against budget of £35,000</p> <p>Decriminalised Parking Enforcement (DPE): This activity relates to the agency taken on from ECC for dealing with on-street parking problems. Under the agreement ECC reimburse the Council for any deficit (after allowing for income from PCN's) that arises based on operating to the agreed business plan. It is anticipated that an additional £75,000 of income will be received under this agreement, subject to ECC agreement and audit of the Council's claim.</p>
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4. HOUSING TRANSFER AND BUSINESS EFFICIENCY REVIEW

Projected impact on the General Fund		
Net cost of £261,580		
Comprising the following additional costs:		Comments
Recharges to the HRA	£1,403,400	The original budget provided for net recharges to the HRA totalling £4.3m, based on a full-year. As a result of the housing transfer most of the recharges to the HRA will be up to 11 th November, although where justified, certain service areas will be able to continue to charge the HRA whilst the account remains open and work is on-going in relation to retained properties and continuing HRA matters. It is therefore estimated that in the current year the net recharge to the HRA from the General Fund will be £2.9m, including an amount in respect of pension costs related to staff previously employed and funded via the HRA (other than those transferring to Greenfields).
Invest to Save Budget	£367,050	An Invest to Save budget was created last year of £450,000 to meet the costs associated with carrying out the business efficiency reviews, and to provide funds to meet any related redundancy costs. As reported to Cabinet in October and Council in November, the actual amount required to implement actions that will lead to future savings is higher by £367,050.
Offset by the following savings/ additional income:		
Transfer of central support staff to Greenfields	£130,270	Cost of those staff transferring to Greenfields as a result of TUPE
Business efficiency savings	£372,040	Separate reports have been made to Cabinet and Council on the actions arising from the business efficiency reviews. The proposals have effectively been shown on a full-year basis, however, implementation timescales vary and so an assessment has been made of the effect on the current year. Some proposals are still subject to be finalised and implemented and therefore updates on impact will be made at subsequent quarter reviews.
Service level agreements with Greenfields	£597,850	The transfer incorporates a number of service level agreements between the Council and Greenfields whereby services will continue to be provided to GCH for a period of time, e.g. ICT, Customer Service centre, Grounds Maintenance, etc. At the time of the second quarter review not all details were known and therefore values will need to be updated to reflect final agreements at the next quarter review, along with financial implications of care trust/ supporting people contracts, temporary accommodation arrangements and changes to the Strategic Housing function.
Interest on the transfer capital receipt	£408,710	The transfer receipt will increase the Council's cash balances for investment purposes. The medium term financial strategy is based on investment of the receipt over the 4-year term. Opportunity will be taken to lock into long-term interest rates (i.e. in excess of 364 days) to provide some stability to the Council's future annual investment income. In addition, alternative investments will be considered as part of a longer-term treasury management strategy.

5. HOUSING REVENUE ACCOUNT

The original budget approved for the HRA assumed a net addition to the HRA balance of £159,370. For the purposes of financial control in the lead up to the housing transfer, budgets were re-profiled to reflect an expected net position as at the date of the transfer and against which performance for the year is being measured. This profiled budget resulted in a revised estimated addition to HRA balance of £1.762m, in part due to the fact that rent-free weeks fall post transfer.

Against the re-profiled budget it is currently estimated that the **HRA will over-spend by £169,110**, resulting in the addition to balances being £1.593m.

Main contributory factors to the projected variation

Items	Amount	Comment
Expenditure Variations:		
Pension Fund	+£116,000	The pension fund deficit related to staff transferring to Greenfields is to be settled by a lump sum payment to the Fund. However, costs in relation to former employees of the HRA remain with Council and therefore continue to be charged to the HRA.
Payment of Housing Subsidy to DCLG	+£277,000	Due to the housing transfer and estimated capital receipt, the calculation of subsidy will be affected increasing the amount to be paid for the current year.
Salaries and Staffing	+£83,000	Additional costs due to backfilling arrangements whilst staff had been seconded to Greenfields Support Team.
Net Apportioned Expenses	+£90,000	The profiled budget to the transfer date assumed recharges from the General Fund would cease at 11th November. However, there are a number of service areas where costs will continue to be charged for the full-year as work continues on retained properties and continuing financial matters.
Property Maintenance	+£92,900	Increased spend on external decorations due to ancillary costs e.g. scaffolding (+£53,000); responsive (demand-led) repairs higher than expected (+£52,000) - offset by under-spends on oil servicing/ heating allowances.
Leasehold Flats and Shared Ownerships	-£30,000	Under-spend on insurance premia as only part-year paid
Pilot Schemes	-£35,000	One off incentive budget that has not been used to the extent originally anticipated due to work and commitments in relation to the housing transfer. In future such initiatives will be progressed by Greenfields.
Other HRA services	-£45,890	Net under-spend across remaining HRA services
Total	£548,000	
Income Variations		
Interest on balances	+£371,400	The HRA will continue to attract investment income post transfer on its balances whilst the statutory account remains open.
Small capital receipts	+31,000	Small capital receipts below a de minimis of £10,000 are treated as revenue income.
Property Maintenance & Other	-£23,500	Recoveries from tenants less than expected
Total	+£378,900	

As a result of the housing transfer there will be further financial adjustments required to the HRA that at the present have not been quantified with regards impact on the year-end position.

6. RESERVES AND BALANCES

		This quarter	Last quarter
General balances:			
Current balances brought forward at March 2007		£2.223m	
Planned withdrawal from balances		-£54,300	-£54,300
Add projected under-spend reported above		+£308,520	+£398,490
Less government grants transferred to earmarked reserves		-£123,113	N/a
Net Movement on GF balances		+£131,107	+£344,190
Est. level of general balances at end of year		£2.354m	£2.567m
Earmarked Reserves:			
The budget for the year was set on the basis that £370,180 of earmarked reserves would be used to support specific budget heads, along with £68,110 of commuted maintenance funds. The second quarter review anticipates the following changes to the reserves:			
Changes to earmarked reserves			
+£114,600	Creation of two new reserves (1) to hold the remaining grant received for implementing smoke-free legislation whilst proposed arrangements are embedded; (2) to hold the additional Year 1 LABGI grant to be ring fenced to meeting costs associated with business improvement districts and other similar investment.		
Other Balances			
Housing Revenue Account			
The HRA balance brought forward from last year was £4.989m, and the net addition forecast for the year (as per Section 5 above) is £1.593m, resulting a year-end balance of £6.582m.			

7. CAPITAL PROGRAMME 2007/ 08

The Capital Programme is divided between General Fund Projects and Housing Investment Schemes.

GENERAL FUND PROJECTS				
The General Fund Capital Programme budget for the year is: (After including £2.76m brought forward from last year's programme, in addition to the extra £250,000 allocated to the new Braintree pool)				£10.398m
	Quarter1	Quarter 2	Quarter 3	Year End
Profiled	£1.442m	£5.499m		
Actual	£1.450m	£3.493m		
Variance	+£8,079	-£2.006m		

Main variances to this Quarter's profile (excluding internal fee allocations)		
At the end of the second quarter around 36% of total planned expenditure for the year had been incurred. Against profile, spend was behind by £2.006m, the main reasons for which are as follow:		
Scheme	Variance to profile	Comments
Braintree swimming pool	-£609,200	Practical completion date has been put back to December from that originally planned of August. Opening of the facility is due end of January.
Community Halls	-£223,599	The main element relates to the Spring Lodge community hall refurbishment, which was delayed to allow for consultation with the Witham Community Association. The original plan was to start on site June 07, however, this was put back to July, with completion now due for November 07. An under-spend is projected on the Rivenhall Village Hall scheme and the intention is that funds are re-allocated to other schemes within the community halls reinvestment programme.
Sports and Leisure	-£327,031	Negotiations are ongoing with the ECC to agree project fees and shared costs on the Bramston all weather pitch and changing facilities project - final payments have therefore been delayed. Tenders have been accepted although behind schedule for the demolition of the old pavilion, after which pitch reinstatement works can be undertaken.
Playgrounds/ Parks and Open Spaces	-£220,210	Installation works were behind schedule, meaning invoices have been received later than anticipated however, these have now been signed off for payment.
ICT/ E-government projects	-£53,613	IDOX project is behind schedule due to conflicting commitments within services to ensure resources are available to implement fully and undertake back scanning. Additional central resource to ensure back scanning is progressed and bring project back on track.

Main variances to this Quarter's profile (excluding internal fee allocations)

Industrial units/ land	-£110,175	Harrison Drive and Driberg Way – adoption costs exceeded budget. Essential repairs now being planned for completion end March 08. Works at Springwood Drive are on hold pending ECC acquiring the site for the proposed new civic amenity facility.
Council Offices	-£122,782	The scope of work is now less extensive than originally anticipated meaning that after final invoices have been paid, the variance will be around £68,000 which will represent an actual under-spend on the project budget.
Cemeteries	-£142,947	A lack of specialist contractors to undertake soil investigation works has delayed the start of the project.
CCTV	-£100,000	A further report on the proposals to upgrade CCTV is due to be considered by Cabinet.
Discovery Centre and Car Park	-£41,542	Works are on hold in order to assimilate into the partnership arrangement with ECC.

At present, project officers have indicated a likely under-spend across the programme for the year of £362,000, of which £286,000 would be requested to be carried over into 2008/09.

Based on the 2nd Quarter Review budget profiles will be revised in line with the position reported above for subsequent monthly/ quarterly reports.

HOUSING INVESTMENT SCHEMES

The Housing Investment Programme updated budget for the year is:	£ 9,269,100 of which £6,916,859 has been profiled to the date of transfer			
	Quarter1	Quarter 2	Quarter 3	Year End
Profiled	£1.893m	£3.694m		
Actual	£1.493m	£2.892m		
Variance	-£409,040	-£802,961		

At the end of the second quarter around a third of the total budget planned for the year (and 40% of the profiled total to date of transfer) had been spent. Against profile, spending was down by £802,961, the main area of which is works to housing properties and estates (-£703,901).

**FINANCIAL MANAGEMENT STATEMENT 2007/08 - Quarter 2
CAPITAL PROGRAMME**

	Budget 2007/08 £	Profiled Budget to 30th Sept £	Actual Spend to 30th Sept £
General Fund			
New Swimming Pools	3,834,820	3,000,000	2,390,800
Community Halls	2,243,920	594,160	370,561
Sports and Leisure Centre	1,019,750	427,210	100,179
Playgrounds	544,100	304,100	157,737
IT / eGovernment projects	432,060	102,000	48,387
Council Offices	361,480	215,690	92,908
Industrial Units/Land	326,600	114,000	3,825
Cemeteries	301,810	146,450	3,503
Parks and Open Spaces	173,620	111,250	37,403
Discovery Centre & Car Park	107,550	52,000	10,458
CCTV	100,000	100,000	0
Town Hall and Museums	82,050	44,470	62,862
Rural Development Fund	73,030	25,000	19,760
Cycleways	108,130	79,290	101,462
Urgent Council Asset works	57,880	20,000	1,448
Witham Technology Centre	50,000	50,000	50,000
Braintree Town Centre improvements	47,750	27,750	3,396
Equipment & Vehicle	38,670	24,670	13,885
Community Transport	38,000	0	0
Fire Risk,Asbestos and Condition Surveys	33,430	11,430	0
Car Parks	20,000	20,000	10,477
Waste Management & Recycling	20,000	20,000	14,065
Environmental Health	10,000	10,000	0
Land East of High Street	0	0	0
Capital Salaries	373,420	0	0
Total - General Fund	10,398,070	5,499,470	3,493,116
Housing Investment			
Housing Grants - Private Sector	958,100	301,860	248,031
Social Housing Grants	1,214,000	50,000	4,769
Works to Council Houses and Estates	6,297,000	3,342,692	2,638,791
Total Housing Investment	8,469,100	3,694,552	2,891,591

For an explanation of the variance to profile see Section 7 of the Quarterly Performance financial monitor

FINANCIAL MANAGEMENT STATEMENT 2007/08 - FULL YEAR REVIEW AS AT QUARTER 2

		ACTUAL £'000						
		(a)		Budget variance		(b)	(b) as % of (a)	
		Updated Controllable Budget	Full Year Spend	Exp Adverse/ (Favourable)	Income Adverse/ (Favourable)	Allocated Vacancy Factor	Net Variance	Variance as % of budget
General Fund - Business Plans								
APM	Asset Management	108.8	29.9	(52.1)	(26.8)	5.2	(73.7)	(67.8%)
CMP	Corporate Management Plan	1,332.1	1,337.6	5.5	0.0	7.5	13.0	1.0%
COR	Law & Governance	939.6	930.8	(0.2)	(8.6)	9.8	1.0	0.1%
CUS	Exchequer & Customer Services	1,653.6	1,466.4	(115.2)	(72.0)	31.0	(156.2)	(9.4%)
ECO	Economic Development & Rural Policy	250.7	243.7	0.5	(7.5)	2.2	(4.9)	(1.9%)
ENV	Environmental Health	1,313.4	1,229.8	(59.7)	(23.9)	17.3	(66.2)	(5.0%)
FIN	Financial Services	1,056.6	750.4	(31.6)	(274.6)	11.7	(294.5)	(27.9%)
HUR	Human Resources	248.9	241.5	(7.4)	0.0	2.7	(4.7)	(1.9%)
ICT	ICT Services	1,250.2	1,245.5	(5.9)	1.2	1.6	(3.1)	(0.2%)
ORG	Organisational Development	217.0	212.1	(4.9)	0.0	1.0	(3.9)	(1.8%)
DEV	Development	(32.1)	(78.8)	38.8	(85.5)	17.7	(29.0)	90.3%
POL	Partnerships & Performance	433.3	432.4	14.1	(15.0)	3.9	3.0	0.7%
PRO	Procurement	99.8	94.8	(5.0)	0.0	0.0	(5.0)	(5.0%)
PHL	Public Protection & Health Living	2,323.2	2,407.3	74.9	9.1	11.2	95.2	4.1%
STH	Strategic Housing	918.8	888.8	(38.0)	8.0	6.8	(23.2)	(2.5%)
SSO	Street Scene	2,757.1	2,885.7	74.3	54.4	35.1	163.8	5.9%
SUS	Sustainable Development	770.2	768.8	(1.4)	0.0	8.5	7.1	0.9%
WST	Waste & Energy Management	3,391.1	3,241.4	(103.1)	(46.6)	29.1	(120.7)	(3.6%)
Business Plan Controllable		19,032.1	18,327.9	(216.5)	(487.7)	202.2	(502.0)	(2.6%)
CF	Corporate Financing	1,640.8	1,529.9	12.2	(123.1)	-	(110.9)	6.8%
EFF	Efficiency and Customer First Targets	(202.2)	-	202.2	0.0	-	-	-
GFC	Charges to GF Capital Projects	(373.4)	(330.6)	0.0	42.8	-	42.8	11.5%
		20,097.3	19,527.2	(2.1)	(568.0)	202.2	(570.1)	2.8%
Housing Transfer Changes								
ITS	Invest to Save Projects	0.0	367.1	367.1	0.0	-	367.1	-
CBF	Net Recharge to Housing (HRA)	(2,931.2)	(1,527.8)	0.0	1,403.4	-	1,403.4	-
BER	BER savings/ Net charges to GCH	0.0	(1,100.2)	(502.3)	(597.9)	-	(1,100.2)	-
INT	Interest on LSVT receipt	0.0	(408.7)	0.0	(408.7)	-	(408.7)	-
		(2,931.2)	(2,669.7)	(135.3)	396.8	0.0	261.6	8.9%
Total - General Fund		17,166.1	16,857.5	(137.4)	(171.2)	202.2	(308.5)	(1.8%)

Note (1) - Net Expenditure variance = Gross Exp variance + income variance less expected variance based on a share of the vacancy factor

Housing Revenue Account - Business Plans								
HRA	Housing Management & Development	(5,449.7)	(5,400.0)	455.1	(405.4)	0.0	49.7	0.9%
PRY	Housing Maintenance	3,567.4	3,686.8	92.9	26.5	0.0	119.4	3.3%
Total - HRA		(1,882.3)	(1,713.2)	548.0	(378.9)	0.0	169.1	