

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Cabinet
Date:	24 September 2012
Title:	Quarter One Budget Monitoring – 2012/13
Reference:	4139
Report From:	Director of Corporate Resources

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1. Executive Summary

- 1.1. This report reviews the budget monitoring position at the end of the first quarter and highlights changes to the reporting process to ensure Cabinet Members are informed of the forecast position as quickly as possible. It also examines the monitoring of high risk / demand led budgets within Departments, and other central budget items that make up the overall revenue account.
- 1.2. Overall performance against the budget remains strong and where there are issues, particularly where there is slippage in the achievement of savings, there are central contingencies available to meet those variations, which was an important part of the budget setting process in 2012/13, recognising the risks that the County Council faced in trying to achieve such an ambitious change programme.
- 1.3. The value of Quarter 1 monitoring is, as always, limited due to the fact that it is early in the financial year in financial and performance terms. However, what quarter 1 monitoring does provide is early indications and areas for key focus over the coming quarter. The Departmental summaries in Appendix 1 also highlight key corporate risk factors that are taken into account in assessing the overall performance against the budget.
- 1.4. The report also considers two in year changes to the budget and capital programme which are recommended for approval as part of this report.
- 1.5. The table below outlines the overall position on Departments, although it should be borne in mind that any Department under spends are part of a planned approach to meet the costs of change in support of delivering the budget reduction programme and changes arising from the Corporate Services Review in 2012/13:

Department	Current Budget	Forecast Outturn	Forecast Variance	
	£'000	£'000	£'000	%
Adult Services	315,998	319,643	3,645	1.15
Children's Services	878,410	877,958	(452)	(0.05)
Economy, Transport and Environment	110,873	110,481	(392)	(0.35)
Policy and Resources	88,974	87,004	(1,970)	(2.21)
Total	1,394,255	1,395,086	831	0.06

- 1.6. Overviews of each Department are set out below. More detailed summaries are contained in Appendix 1, together with the identification of any key corporate risk issues.

Adult Services

- 1.7. There are two key issues within Adult Services, the first relates to slippage in the delivery of savings of £7.6m, for which corporate support is available on a one off basis in line with the overall budget that was set for 2012/13. In addition, the Department is also predicting a net overspend by the end of the year of £3.6m as a result of cost pressures experienced in the first quarter. The main reason for the predicted overspend is an increase in the number and average cost of packages, particularly in the areas of Older Persons and Physical Disabilities services and under occupation of in-house residential homes. As in previous years, this is not an unusual situation for Adult Services to be predicting and management actions will be put in place to manage demand throughout the rest of the year in order to balance the budget.

Children's Services

- 1.8. The net under spend for Children's Services is made up of a small under spend in the schools budget partially offset by an overspend in non-schools services. The small overspend is made up of continuing pressures within the areas of Children Looked After, Youth Support Service and Commissioning and Social Work, partially offset by an under spend in Services for Young Children and Home to School Transport.

Economy, Transport and Environment

- 1.9. There is a predicted net under spend of £392,000 for Economy, Transport and Environment which is mainly due to a refund from the Safer Roads Partnership, which is now funded by Hampshire Constabulary. Vacancies and higher level of fee income has led to savings in Highways, Traffic and Transport but these have been partially offset by potential revenue pressures on integrated transport costs following additional capital investment approvals.

Policy and Resources

- 1.10. The under spend on Policy and Resources relates to the planned savings in respect of the Corporate Services Review, which were required to deliver an additional 4% savings during 2012/13 but which were not built into the budget due to the timing of the review.
- 1.11. These savings will be used to meet the implementation costs of the CSR, in particular the costs associated with the Integrated Business Centre which was approved by Cabinet in July this year.

Overall Revenue Account

- 1.12. Appendix 2 sets out the forecast for the overall revenue budget, taking the figures outlined above for Departments together with the other central items that make up the revenue account.
- 1.13. The overall position shows a net under spend of £1.555m, which it is assumed would be transferred to general balances. This net under spend equates to improved performance within the area of debt management, which has been offset by the forecast overspend for Adult Services. Under spends on other Departmental budgets have been transferred to earmarked reserves to meet the cost of change in future years in line with the current policy.
- 1.14. Although management action will be taken within Adult Services to manage down the projected overspend during the year, this has not yet been reflected in the figures given the volatility around complexity and demography pressures.
- 1.15. It is worth re-iterating once again that for 2012/13 the County Council is monitoring against a budget that has had over £100m removed over the last two years and therefore to have achieved a balanced position against this early in the year is very encouraging and highlights the fact that the strategy of trying to achieve four years savings in two has positioned the County Council strongly for the future financial challenges to come.

2. Changes to the Reporting Process

- 2.1. Last year, the monitoring process was changed to introduce a standardised timetable and reporting formats across all Departments. The revised timetable reduced the amount of time that Departments and the Devolved Finance Units (DFU) had available to produce the monitoring information, but this was always seen as an interim step before moving to a much shorter timeframe for reporting in 2012/13.
- 2.2. The new timetable for this year is based around the following process at each quarter end :-

Position briefed to and signed off by Executive Member	Within three weeks of quarter end
Advanced release of Cabinet report to the whole of Cabinet	Within a month of quarter end

Formal reporting to Cabinet	As per next available Cabinet date
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- 2.3. This process means that high level reporting can be achieved in a timely fashion without having to be tied to Cabinet dates and without waiting for the more detailed work to be carried out with Budget Managers. For the first Quarter a 'dry run' was put in place that would have achieved the timescale shown above, and therefore this will be fully implemented from the 2nd Quarter monitoring onwards.

3. Achievement of Savings

- 3.1. The 2012/13 budget included savings in Departments of £47.1m as part of a package to bridge the £100m budget deficit over 2011/12 and 2012/13.
- 3.2. The 2011/12 savings were delivered successfully during the year, but it was always anticipated that with £55m of savings already removed plus another £47.1m to deliver, that achievement of savings in 2012/13 would be more challenging.
- 3.3. The savings figure for 2012/13 did not include the additional 4% anticipated savings from the Corporate Services Review as it was always intended that the initial savings from these changes would be re-invested in making the necessary changes to implement the review, in particular the investment for the Integrated Business Centre (IBC) and the procurement of a Private Sector Partner.
- 3.4. At the current time, all Departments with the exception of Adult Services are forecasting that they will achieve the savings during the year, including the additional 4% for Corporate Services. Adult Services are anticipating a potential maximum shortfall in the achievement of savings of £7.6m which is explained in Appendix 1. For the purposes of the overall monitoring position, it has been assumed that the full £7.6m will be drawn from the risk contingency in the year, so that there is no impact on the bottom line of the revenue account.
- 3.5. Nevertheless, it is still anticipated that 97% of all savings approved for the 2012/13 budget will be achieved allowing for some slippage in the timetable for some savings proposals, which again, is a significant achievement given the scale of the change programme that has been implemented.

4. Overall Revenue Position

- 4.1. The overall revenue position for the County Council is set out in Appendix 2. This takes the 2012/13 original budget approved by the County Council in February, adjusts for any changes and then measures this against the expected position at the end of the year.
- 4.2. The changes to the budget and how these are balanced are explained in the following paragraphs, none of these impact on the bottom line position of the revenue budget.
- 4.3. **Departmental Cash Limits** – Overall cash limits have increased by £15.5m compared to the original budget. The net increase and how it has been met is described in the following paragraphs.

- 4.4. **Contingencies** – Contingencies have reduced by £10.9m due to the transfer of funding to Adult Services cash limit in respect of slippage and non-achievement of savings of £7.6m, together with a transfer of just over £3m to the Environment cash limit in respect of waste management volumes and inflation which is allocated from contingencies on a quarterly basis.
- 4.5. **Grants** – Dedicated Schools Grant has reduced by just under £10m reflecting the transfer of more schools to Academy status. This is offset by an equivalent reduction in the Schools Budget. However, this has been offset by the allocation of the Pupil Premium Grant of £6.330m (within specific grants) to Schools, giving a net reduction in the Schools budget of £3.627m. Other increases in specific grants relate to Troubled Families Grant (£1.6m) and Community Safety Grant (£523,000) which have been added to the cash limits of Children’s Services and Policy and Resources respectively, although the intention is to manage the Troubled Families funding as a central item in the budget, which will be actioned as part of the next quarter’s update.
- 4.6. **Business Units** – The current budget for Business Units trading position has improved by £462,000, but this is entirely offset by a reduction in the draw from Trading Unit Reserves.
- 4.7. **Draw from Earmarked Reserves** - The main budget variation in this area is the addition of £5.2m to the Adult Services cash limit reflecting the use of their cost of change reserve during 2012/13.
- 4.8. These changes are reflected in the Current Budget shown in column 3 of Appendix 2 and the Forecast Outturn has been compared to these figures to produce a forecast variance for the year. The net overspend of £831,000 in Departmental budgets is explained in the Executive Summaries in Appendix 1.
- 4.9. The favourable variance of £5.2m in capital financing costs is due to significantly higher interest on balances as a result of volatile interest rates and reserve levels at the end of 2011/12 and the fact that we budget very prudently in this area given the risks and volatility involved. Capital financing costs are also lower than expected as the County Council has delayed taking out long term borrowing due to the use of internal cash resources and the very low short term rates that are still available in the market at the moment.

5. Direction of Travel

- 5.1. The County Council has had a sound strategy in place for dealing with the turbulence created by the reductions to Government Grants and general economic conditions over the past two years. We have now entered the second year of implementation of the two year efficiency programme and although the value of 1st quarter monitoring is somewhat limited, early indications are that the Council remains on track to deliver against it’s efficiency targets.
- 5.2. The second quarter monitoring will be more critical for the County Council as this will give a better indication of the overall financial performance within Departments and will be a key factor as we begin to develop the budget for 2013/14 and beyond.
- 5.3. This information, together with early indications from Departments on future service issues and proposals for meeting their 2% Annual Efficiency Targets will

feed in to the Star Chamber process during November, prior to receiving announcements on Government Grant for the next two years in December.

- 5.4. At this point, the County Council will need to 'take stock' of the overall financial position and the prospects for the Medium Term Financial Strategy as we look towards the next Comprehensive Spending Review (CSR) which is likely to have a significant impact on our resources in 2015/16. At the present time, it is still forecast that the County Council will achieve it's ambition of making 4 years worth of savings over 2 years.
- 5.5. By taking this action, the County Council is in a very strong financial position and has created the time and capacity to start to address the inevitable difficulties that will arise from the next CSR when many other authorities will be concentrating on trying to close budget deficits in 2013/14 and 2014/15.
- 5.6. Although the Council is in a strong position, it must use the time it has created to pursue, and implement where appropriate, the various work streams set out in the Chief Executive's confidential report to Cabinet in June this year and this next phase of transformation for the Council will be critical in continuing to maintain the provision of high quality services to the residents of the County.

6. In Year Changes to the Budget and Capital Programme

Purchase of Vehicles

- 6.1. Members will be aware that the Capital programme is updated on an ongoing basis during the year with a major update reported in February as part of budget setting. Any major additions to the capital programme require formal Cabinet approval.
- 6.2. Hampshire Transport Management (HTM) have a vehicle acquisition and replacement programme of £1m in the current capital programme but following a review of Departmental needs and acquisitions required for other partner organisations, it is anticipated that expenditure of up to £2m may be required to meet all of these operational needs.
- 6.3. In order to avoid the need for a separate report and any delays in the acquisition programme, this report is requesting an increase in the capital programme of £1m to fund these additional vehicles.
- 6.4. The approved strategy of moving from vehicle leasing to outright purchase is delivering lower costs to internal departments and the Council's capital outlay will be recovered over the life of the vehicle through the charges made by HTM.

Winchester Cathedral

- 6.5. The County Council has a long standing, close relationship with Winchester Cathedral and has always considered that it has a wider obligation to support and protect the County's heritage.
- 6.6. Members will be aware that the Cathedral roof has been a significant liability for some time now and it is essential that major works are completed to maintain the fabric of the structure and to avoid potential damage to the building both internally and externally over the longer term.

- 6.7. The Cathedral is about to launch an appeal to raise up to £20m pounds to fund these works and as part of this fundraising, hopes to secure nearly half of this amount from a Heritage Lottery award.
- 6.8. Given the local and national importance of the Cathedral, Cabinet is being requested to make a contribution of £500,000 towards the fundraising, which will be conditional on the expectation of a successful lottery bid and appeal and on the basis that the funding can only be used on the fabric of the roof.
- 6.9. As part of the budget for 2012/13, housekeeping savings of £2m were generated in addition to the Departmental target of £45m set for the year. Part of this funding was utilised to meet the borrowing costs associated with new additions to the capital programme in February and it is proposed to use part of the balance of funding on a one off basis in 2012/13 to finance the contribution to the Cathedral.

7. Conclusion

- 7.1. Given the scale of the change programme undertaken by the County Council and the fact over £100m has been taken out of budgets in the last two years, the overall forecast position for the revenue budget remains a strong one at the end of the first quarter after allowing for a draw from the risk contingency in respect of slipped or unachievable savings within Adult Services, which will still have to be found next year.
- 7.2. Achievement against the planned savings programme for 2012/13 is promising with 97% expecting to eventually be achieved after allowing for the slippage in the implementation of some proposals.
- 7.3. Forecast variances within Departmental budgets are very small in percentage terms and where there are adverse variances, management actions are being put in place to address these.
- 7.4. The budget strategy that was put in place for the four years of the current Comprehensive Spending Review remains on target and the risks inherent within the change programme are being managed through appropriate reserves and contingencies established as part of the budget setting process.

8. Recommendations

- 8.1. To note the forecast position for the overall revenue account as contained in Appendix 2.
- 8.2. To approve a £1m increase in the capital programme for the purchase of additional vehicles, the borrowing costs for which will be met by reserves or additional income streams generated by Hampshire Transport Management.
- 8.3. To approve a contribution of £500,000 for the restoration of the Winchester Cathedral roof, subject to the two conditions set out in paragraph 5.8.

Adult Services

1. Executive Summary

- 1.1. This report outlines the budget monitoring position as at the end of quarter 1 (30 June 2012), a projected budget pressure for 2012/13 of £13.7m (4.5%). However, after the inclusion of one-off additional corporate funding (£7.6m) to support slippage against efficiency savings targets and those considered to be at risk of delivery, together with the use of the departments remaining available cost of change reserve (£2.5m), it is envisaged that this forecast budget pressure would be reduced to around £3.6m (1.2%) as shown in the table below:

	£'000
Forecast budget pressure as at the end of quarter 1 (30 June 2012)	13,738
Less additional one-off corporate funding	(7,593)
Adjusted 'underlying' forecast budget pressure	6,145
Less balance of cost of change reserve available	(2,500)
Adjusted forecast budget pressure	3,645

- 1.2. The underlying variance reported by each directorate (after inclusion of the additional corporate funding – i.e. a budget pressure of £6.1m) is outlined in the table below:

	Current budget ¹ £'000	Forecast Outturn £'000	Forecast Variance £'000	%
Director	1,687	1,739	52	3.1
Commissioning and Partnerships	38,222	38,599	377	1.0
Older People / Physical Disabilities (OP/PD)	122,437	128,648	6,211	5.1
Learning Disabilities / Mental Health (LD/MH)	116,685	115,282	(1,403)	(1.2)
In-house provider services	33,248	34,306	1,058	3.3
Winter pressures and other department contingency	1,219	1,069	(150)	(12.3)
Adjusted 'underlying' forecast budget pressure	313,498	319,643	6,145	2.1
Less balance of cost of change reserve available	2,500	0	(2,500)	
Total	315,998	319,643	3,645	1.2

¹ Current budget excludes potential additional one-off corporate funding.

Efficiency Savings

- 1.3. As noted in the 'Efficiency & Expenditure Reduction Update: 2012-13' report to Cabinet on 23 July 2012, the 2011/12 efficiency savings target for Adult Services of £24m has been successfully delivered. However, there are a number of challenges in relation to delivery of some of the savings targets in 2012/13.
- 1.4. The current analysis shows that of the total 2012/13 planned efficiency savings for Adult Services of £21m², around £6m of this is at risk of non-delivery this year (£4.5m of slippage to 2013/14, with a further £1.5m at risk of not being achieved). These savings will be cash flowed from contingencies in the current year in line with the budget strategy, but will still have to be found by Adult Services next financial year. In addition there is a risk around the corporate income target of around £1.6m. Overall this represents a total potential risk value of around £7.6m for the department. However, it is still very early in the new financial year, and these projections will become firmer as the year progresses.
- 1.5. In view of this extremely challenging transformation and savings programme, prudent levels of corporate contingencies were agreed in order to facilitate delivery of the programme through the management of risks and the provision of short-term cash-flow support. The underlying forecast budget pressure of £6.1m therefore reflects the inclusion of one-off financial support.

Demand Management

- 1.6. Initial work undertaken to review the budget assumptions made around demography and complexity pressures in 2012/13 compared with actual and forecast package numbers and costs for the year, indicates that whilst overall package numbers are lower than budgeted, higher levels of demand for more costly types of packages (e.g. nursing care) as well as higher forecast weekly costs (in particular within nursing and residential care fees and domiciliary care packages) have resulted in additional cost pressures emerging.
- 1.7. The underlying budget pressure of £6.1m primarily reflects demand pressures within OP and PD services (in particular within domiciliary care provision due to higher than budgeted activity levels and forecast weekly costs due to increased complexity in clients needs and packages provided), as well as pressures across in-house services. This position incorporates assumptions for demographic growth throughout the remainder of the year across OP, PD, LD and MH services (in the region of £2.1m).
- 1.8. Management grip of this underlying budget pressure remains strong, with services continuing to operate robust demand management strategies. These include the constant scrutiny of packages at review panels (for example to ensure the correct application of eligibility criteria), maintaining reviews of high-cost packages to ensure that they provide the most cost effective and qualitative outcomes for service users, the maximisation of re-ablement packages to reduce long-term care costs, as well as the maximisation of in-house residential and nursing care packages to reduce expenditure on purchased services.

² Excludes corporate efficiency savings targets.

Traditionally the pressure forecast at quarter 1 has reduced as the year progresses and the impact of management actions will be closely monitored.

1.9. The position includes draw down from the department's cost of change reserve of £2.7m in respect of confirmed funding commitments and £2.5m to further offset the anticipated emerging pressure relating to increased levels of demand and complexity during 2012/13, as indicated in the tables in paragraphs 1.1 and 1.2 (i.e. a total of £5.2m). It is also expected that the department will draw down the remaining balance available of £3.7m during 2012/13 to support other planned one-off expenditure. However, if this is not required it will be used to support delivery of the 2013/14 efficiency savings targets.

1.10. **Key corporate risk issues highlighted in this quarter are :**

OPPD Purchased Services – There are significant cost pressures across domiciliary care, Direct Payments for OP and PD services and within PD purchased nursing and residential care, primarily due to higher than budgeted activity levels and increased forecast weekly costs of packages. These increases are in addition to extra funding allocated in 2012/13 for anticipated cost pressures relating to demographic growth and complex needs. Management action as described above is being taken to mitigate these extra costs, whilst ensuring qualitative outcomes for service users.

In House Services - There are cost pressures in this area due to reduced income levels and the need to use agency staff whilst recruitment takes place to vacant posts. Management will continue to target increasing income levels and reducing the reliance on agency staff.

Children's Services

1. Executive Summary

- 1.1. This report outlines the budget monitoring position as at the end of period 3 (30 June 2012).
- 1.2. The projected outturn for 2012/13 is a net underspend of £452,000 (£736,000 underspend on the schools budget and £284,000 overspend on the non-schools budget). The forecast variance by each branch, and by schools and non-schools budgets is as follows:

	Current budget £000	Forecast outturn £000	Forecast variance	
			£000	%
Access, Performance & Resources (A,P&R)	671,127	669,901	(1,226)	(0.2)
Education & Inclusion (E&I)	89,863	88,633	(1,230)	(1.4)
Children & Families (C&F)	117,419	119,423	2,004	1.7
Total	878,409	877,957	(452)	(0.1)
<i>Broken down by:</i>				
Schools budget	709,872	709,136	(736)	(0.1)
Non-schools budget	168,537	168,821	284	0.2
Total	878,409	877,957	(452)	(0.1)

- 1.3. The schools budget underspend consists of some continuing variances from 2011/12 e.g. independent and non-maintained special schools and statemented pupils along with some other smaller variances.
- 1.4. On the non-schools budget, the main pressure is on Children Looked After (CLA), Youth Support Service, Commissioning and Social Work and Youth Justice offset by underspends within Services for Young Children, Home to School Transport and Management and Support – Access Performance and Reporting
- 1.5. The cost of change is currently forecast as £1.36m primarily relating to Children's Centres and Youth Support Services. It is not proposed to make a call on the cost of change reserve this stage.

1.6. **Key corporate risk issues highlighted in this quarter are :**

Youth Support Services – Following a review of Careers Advice and Guidance Service anticipated income is lower than previously expected. Management are taking steps to align resources to income levels throughout the rest of the year.

Commissioning and Social Work – It has been necessary to respond to significant workload pressures in the north east of the County which has led to an increase in staffing costs. Management are trying to reduce the reliance on costly agency staff but there is inevitably a time delay in achieving this.

Children Looked After – There are continuing significant pressures on purchased residential placements and fostering with activity above the budgeted placements coupled with additional costs following a review of the skills fees paid to foster carers. Whilst every effort is being made to manage down the number of children entering care through prevention work, there is still an upward local and national trend which is putting pressure on resources.

Economy, Transport and Environment

1. Executive Summary

- 1.1. This report outlines the budget monitoring position as at the end of quarter 1 (30 June 2012).
- 1.2. The projected outturn for budgeted services for 2012/13 is a saving of £392,000 million or 0.4% of the total budget. The variance reported by each service stream board and group is set out below.

	Current budget	Forecast Outturn	Forecast Variance	
	£'000	£'000	£'000	%
Highways, Traffic & Transport	63,771	63,379	(392)	(0.6)
Waste, Planning & Environment	40,557	40,557	0	0
Economic Development	845	845	0	0
Departmental & Corporate Services	5,700	5,700	0	0
Total	110,873	110,873	(392)	(0.4)

- 1.3. As previously reported the activities of the Safer Roads Partnership are now funded from income received by Hampshire Constabulary. After allowing for a contribution of £95,000 to Village 30 initiatives and the return of the remaining partnership balances the forecast saving for the year in this area is £302,000.
- 1.4. Vacancy savings in Highways, Traffic and Transport together with successes in bidding for additional capital funding resulting in higher levels of fee income than previously forecast are partly offset by additional forecast spend on agency staff. The net saving currently anticipated for 2012/13 is £300,000.
- 1.5. At this early stage in the year the highways maintenance budgets are planned to be spent in full. As always, delivery can be affected by a number of factors including adverse weather conditions and the impact of these will be factored in as the year progresses. Recent integrated transport service improvements, supported by LSTF funding awards, have resulted in emerging pressures on the maintenance budget and options to fund these will be worked up as part of the 2013/14 budget strategy. The net current pressure on the maintenance budget for 2012/13 is £210,000. It is expected that technological innovation will reduce this pressure in the medium to long term.
- 1.6. **There are no key corporate risk issues to be highlighted.**

Policy and Resources

1. Executive Summary

- 1.1. This report outlines the budget monitoring position for the Policy and Resources as at the end of quarter 1 (30 June 2012). Corporate Services is on target to achieve the additional 4% reduction required, CCBS is on budget and P&R other is projecting an under spend.

Departments	Current budget	Forecast Outturn	Forecast Variance	
	£'000	£'000	£'000	%
Corporate Services	36,859	35,217	(1,642)	(4.0)
CCBS	45,818	45,751	(67)	-
P&R Other	6,297	6,036	(261)	(4.0)
Grand Total	88,974	87,004	(1,970)	(2.0)

Efficiency Savings

- 1.2. 72% (£6,779,000) of the efficiency savings within P&R have now been secured and there is high confidence of achieving a further 1% (£62,000). The remaining 27% (£2,557,000) are within CCBS and although many of these are deliverable throughout the year and will require close monitoring, they are all expected to be fully achieved.

Departmental budgets

- 1.3. The Departments remain on track to achieve the 4% additional saving required as part of the Corporate Services Review and there savings in P&R other budgets due to reduced Audit Commission fees and savings on Members expenses.
- 1.4. **There are no key corporate risk issues to highlight.**

REVENUE BUDGET SUMMARY 2012/13 - QUARTER 1

	Original Budget £'000	Changes £'000	Current Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
<u>Portfolios</u>					
Adults	302,466	13,532	315,998	319,643	3,645
Children's Services - Schools	713,499	(3,627)	709,872	709,136	(736)
Children's Services - Non schools	166,622	1,916	168,538	168,822	284
Environment	107,676	3,197	110,873	110,481	(392)
P&R	88,442	532	88,974	87,004	(1,970)
TOTAL	1,378,705	15,550	1,394,255	1,395,086	831
<u>Capital Financing and RCCO</u>					
Interest on Balances	(750)	0	(750)	(3,500)	(2,750)
Capital Financing Costs	65,681	0	65,681	63,231	(2,450)
RCCO	51,091	0	51,091	51,091	0
	116,022	0	116,022	110,822	(5,200)
<u>Pension Costs</u>					
Pensions and IAS 19 Costs	38,869	(10)	38,859	38,859	0
Contribution from Pension Reserve	(26,479)	0	(26,479)	(26,479)	0
	12,390	(10)	12,380	12,380	0
<u>Other Costs and Income</u>					
Business Units	2,118	(462)	1,656	1,656	0
Contingency	46,506	(10,941)	35,565	35,565	0
Dedicated Schools Grant	(713,600)	9,957	(703,643)	(703,643)	0
Specific Grants	(124,194)	(9,031)	(133,225)	(133,225)	0
Flood Protection Levy	557	0	557	557	0
Coroners	1,331	0	1,331	1,331	0
	(787,282)	(10,477)	(797,759)	(797,759)	0
Draw from Earmarked Reserves	(453)	(5,525)	(5,978)	(3,164)	2,814
Draw from Trading Unit Reserves	(1,919)	462	(1,457)	(1,457)	0
Draw for RCCO	(6,750)	0	(6,750)	(6,750)	0
	(9,122)	(5,063)	(14,185)	(11,371)	2,814
Total Net Spending	710,713	0	710,713	709,158	(1,555)
Draw from General Balances	900	0	900	2,455	1,555
BUDGET REQUIREMENT	711,613	0	711,613	711,613	0

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	Yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

2. Equalities Impact Assessment:

2.1. Equality objectives are not considered to be adversely affected by the proposals in this report.

3. Impact on Crime and Disorder:

3.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

4. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific proposals

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific proposals affecting adaptation to climate change