SURREY COUNTY COUNCIL

CABINET

DATE: **27 NOVEMBER 2018**

REPORT OF: **MR DAVID HODGE, LEADER OF THE COUNCIL AND LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR OF FINANCE**

LEAD OFFICER: **CHIEF EXECUTIVE AND EXECUTIVE DIRECTORS**

SUBJECT: **FINANCE AND BUDGET MONITORING REPORT TO 30 SEPTEMBER 2018**

COMMUNITY VISION OUTCOME: **COUNCIL**

SUMMARY OF ISSUE:

This report presents the Council's financial position for 2018/19 as at 30 September 2018 for both revenue and capital budgets. It also includes quarter end positions for the balance sheet, reserves, debt and treasury management.

The 2018/19 budget set by the Council in February relied on significant use of one off resources, including drawing £21m from reserves. By 30 June 2018, the Special Education Needs and Disabilities (SEND) high needs pressure had increased materially. This and the uncertainties the Council faces from 2019/20 onwards means further use of reserves is not sustainable. Therefore, the Council initiated a £40m in year cost reduction programme that has two objectives:

- achieve sufficient in year cost reductions to prevent unplanned use of reserves to off-set overspent budgets; and
- avoid the need to draw down any of the planned £21m contribution from reserves in 2018/19.

As at 30 September 2018, the Council has completed £24m management actions of the £40m target to bring the forecast revenue outturn to a -£4m underspend against the original budget. This means:

- the Council has met its first objective of achieving sufficient in year cost reductions to balance the overspends arising in year; and
- the Council has made some progress with its stretch target and now forecasts to draw down a reduced amount of £17m from reserves at year end, rather than £21m as planned in the original budget.

The most significant changes to the forecast outturn from that reported last month are due to continuing progress in achieving in year cost reductions.

In future months, Executive Directors and Cabinet Members will progress further towards completing the £40m in year cost reduction programme. This will enhance financial resilience as the Council will have to draw less money from its reserves than it planned to in the Medium Term Financial Plan (MTFP).

This report, provides a high level financial summary of the most significant issues, as determined by Executive Directors and Cabinet Members and has four annexes:

- Annex 1 – a high level analysis of each directorate's budget monitoring positions;
- Annex 2 – progress of the £66m MTFP savings projects for 2018/19;
- Annex 3 – activity information for the Council's highest risk budgets; and
- Annex 4 – progress of the £40m in year budget reductions projects for 2018/19.

Cabinet is asked to note the forecast revenue and capital monitoring positions.

- The forecast revenue outturn is for -£4m underspend.
- The Council has completed actions to achieve £24m of its £40m in year cost reductions.
- The Council forecasts to achieve a total of £63m savings against its £66m MTFP target.
- The forecast service capital programme outturn is £132m against the £133m budget.

Cabinet is also asked to note and approve some technical changes to the revenue and capital budgets.

RECOMMENDATIONS:

1. Cabinet is asked to note the Council's overall revenue and capital budget positions as at 30 September 2018.

2. Cabinet is asked to note the changes to the structure of the Children, Families & Learning directorate (paragraphs 4 to 6).

3. Cabinet is asked to approve the addition of Farnham Road rail bridge to the capital programme (paragraph 67).

4. Cabinet is asked to approve £1.8m capital virements to transfer funds to Local Enterprise Partnerships budgets (paragraph 68).

REASON FOR RECOMMENDATIONS:

This report is presented to comply with the agreed policy of providing a monthly budget monitoring report to Cabinet for approval and action as necessary.

DETAILS:

Revenue budget overview

1. The Council forecasts a -£4m revenue budget underspend as at 30 September 2018. This reduces the Council's need to draw from reserves in 2018/19 from £21m to £17m.

2. Table 1 shows the Council's main service groups': gross and net expenditure budgets, forecast outturn position and forecast variance. Paragraph 3 summarises the main reasons for the variance and the remainder of the report provides more detail.

Table 1 Summary forecast 2018/19 revenue budget as at 30 September 2018

Directorate	Gross budget £m	Net budget £m	Net forecast £m	Forecast variance £m
Delegated Schools	326.9	0.0	0.0	0.0
Education, Lifelong Learning & Culture	312.6	70.8	84.6	13.8
Safeguarding & Family Resilience	42.0	39.5	40.4	0.9
Corporate Parenting	116.7	102.7	101.5	-1.2
Quality Assurance	6.6	5.5	5.9	0.4
Commissioning	12.4	11.2	11.4	0.2
Children, Families, learning & Communities (CFLC)	**817.2**	**229.7**	**243.8**	**14.1**
Adult Social Care	500.6	381.9	376.9	-5.0
Public Health	37.3	0.7	0.6	-0.1
Health, Wellbeing & Adult Social Care (HWA)	**538.0**	**382.6**	**377.5**	**-5.1**
Economy, Growth & Commercial (EGC)	**40.8**	**30.4**	**27.3**	**-3.1**
Highways & Transport	81.0	68.2	66.4	-1.8
Environment	73.5	69.2	69.4	0.2
Surrey Fire & Rescue Service	45.4	31.5	31.2	-0.3
Communities	5.1	3.0	2.7	-0.4
Highways, Transport & Environment (HTE)	**205.0**	**171.9**	**169.6**	**-2.3**
Customer & Performance	7.4	7.0	6.4	-0.5
Orbis HR&OD, IT&D and JOB	52.4	51.8	48.5	-3.2
Coroner	2.4	1.7	1.9	0.2
Customer, Digital & Transformation (CDT)	**62.1**	**60.5**	**56.9**	**-3.6**
Finance (Fin)	**4.3**	**2.6**	**2.6**	**0.0**
Central Income & Expenditure (CIE)	**54.0**	**49.8**	**40.4**	**-9.4**
Total services' net revenue expenditure	**1,721.4**	**927.6**	**918.2**	**-9.4**
General funding		-906.3	-901.0	**5.3**
Use of reserves		**21.3**	**17.2**	**-4.1**

Note: All numbers have been rounded - which might cause a casting difference
* Orbis manages budgets on behalf of other directorates. Orbis activities are spread among directorates as follows: Property, Procurement and Business Operations within EGC, Finance within Fin, Human Resources & Organisational Development (HR&OD), Information Technology & Digital (IT&D) and the Orbis Joint Operating Budget (JOB) within CDT.

3. The most significant changes to the forecast outturn from that reported last month continue to be due to management actions to reduce spending and achieve the targets arising from revised budget envelopes.

Revenue budget monitoring headlines

Children, Families, Learning & Communities Directorate

4. The Children, Families, Learning & Communities directorate (CFLC) has made transformative changes since last month to restructure its services to focus on: delegated schools, education, lifelong learning & culture, safeguarding & family resilience, corporate parenting, quality & performance and commissioning.

5. In addition, CFLC's total budget and budget envelope have increased by £0.5m for the transfer of Voluntary Sector Support from Democratic Services. However the changes to the services making up the whole directorate mean the forecast financial positions between 31 August 2018 and 30 September 2018 do not have straightforward comparisons.

6. The overall forecast financial position for CFLC as at 30 September 2018 is +£14.1m overspend, compared to +£15.3m as at 31 August 2018. This improvement is mainly within: Education, Lifelong Learning & Culture from changes in Special Educational Needs and Disability (SEND) transport, contract negotiations, application of grants and management actions to achieve in year cost reductions in Cultural Services, partly offset by deteriorations in countywide Special Educational Needs (SEN) services; and in Corporate Parenting from fewer external residential placements.

Education, Lifelong Learning & Culture

+£13.8m overspend (a decrease of £0.9m since August)
-£0.6m management actions remaining

7. Education, Lifelong Learning & Culture (ELLC) forecasts -£0.9m improvement compared to last month. This is made up of the following changes.

   - As part of CFLC's restructuring, Cultural Services is incorporated into the figures for the first time this year, and has an underspend of -£0.6m which is -0.1m short of the budget envelope. Work is ongoing to realise the full cost reductions.
   - -£0.7m saving on Schools & SEND as a result of contract negotiations and a decision to use a grant to fund part of the contract, rather than using it for new commitments, which would then help to cover the SEND transport overspend.
   - SEND transport is projecting to spend £29.8m, which is +£1.1m forecast overspend. The movement is largely due to virements of -£0.7m from the Schools & SEND budget and -£1.6m from the Countywide SEN budget partly offset by +£0.6m from a review that highlighted it was unlikely ELLC would achieve its savings as originally envisaged. ELLC still projects to

make -£0.6m savings from plans it is developing with the Transport Co-ordination Centre.

- Countywide SEN now shows an overspend of +£0.7m which is a change of +£1.6m since last month as a result of the virement to SEND transport.
- Agency projections have increased this month by £1.3m but this is offset by further management action identified in the cost containment plan.

8. There continues to be an exceptional demand for services for children with SEN, with the number of Education Health and Social Care Plans (EHCPs) increasing. At 30 September 2018 there were 8,625 EHCPs which is a rise of 915 (11.87%) since the SEN2 statutory return to the Department for Education in January.

9. At the start of the financial year the pressure on the SEND service was estimated at £30m and a cost containment plan was developed to achieve reductions of £15m, of which £8.7m have been achieved, £1.1m face potential barriers and £5.2m are high risk. This leaves an overall forecast overspend of £15m. There is a degree of uncertainty over the cost of new school placements started in September and college placements will not be known for some months as the Council has to rely on schools and colleges for information and last academic year this took until January.

10. This residual forecast £15m overspend remains a significant concern and risk for the Council. As part of the SEND sustainability transformation work the service is looking urgently at how it can minimise the impact on the Council's reserves and services in future years.

11. External placements at 30 September 2018 were 1,240 and the volume is projected to be over 1,300 by the end of the financial year. The total cost is forecast at +£18.1m more than the current budget. ELLC's cost containment plan is intended to bring this and other adverse variances down by -£5.4m by the end of the year. Under the cost containment plan ELLC will: seek alternative in house provision, health costs are appropriately funded by health partners, and negotiate with providers.

12. Commercial Services continues to project an additional contribution to overheads of -£1m.

13. Schools planning and leadership is projecting a +£0.5m pressure for two sponsored academy conversions that are likely to have deficits. The actual figures will only be known once the schools convert to academies.

14. Cultural Services forecasts -£0.6m underspend. The main reasons for the change is management action to achieve in year cost reductions and extra income.

Safeguarding & Family Resilience Service

+£0.8m forecast overspend
-£0.6m management actions remaining

15. Safeguarding & Family Resilience continues to experience exceptional demand for its services resulting in a +£0.8m pressure across the service. In addition to this the service has to make -£0.6m additional in year cost reductions.

16. Increased demand from children requiring support and a high level of vacancies has led to a continued need for additional social work capacity and locums. Within the east of the county there are 50.5 FTE locums across frontline teams, including 8.4 posts above establishment. Each locum social worker costs on average £11,000 a year more than an employed social worker and a senior social worker locum costs on average £7,000 pa year more than those employed. In addition there are 34 FTE locums within the Multi-Agency Safeguarding Hub (MASH), with 12.2 posts above establishment.

17. These staffing pressures are partially being offset by a -£0.6m underspend within Early Help which largely relates to staff vacancies.

Corporate Parenting Service

-£1.2m forecast underspend
-£1.1m management actions remaining

18. Corporate Parenting (CP) continues to experience exceptional demand for its services. However some of these pressures are being offset by cost reductions elsewhere. CP is underspending by -£1.2m and is partly achieving its -£2.3m in year budget reductions.

19. Increased demand from children requiring support has led to a continued need for additional social work capacity. Within the west of the county there are 24.5 FTE locums and the service is 26.8 posts over establishment, each locum social worker costs on average costs on average £11,000 a year more than an employed social worker.

20. The external placement budget was increased by £11m for 2018/19 due to increasing demand. As at 30 September 2018 there were 85 external residential placements and 239 external fostering placements out of a total of 877 looked after children (excludes Unaccompanied Asylum Seeking Children (UASC)). The number of external residential placements is less than planned at this stage in the financial year (92 placements). However, this underspend is being partially offset by the number of external fostering placements being higher than planned (237 placements) and by a number of very high cost supported accommodation placements.

21. In addition the number of family residential placements is higher than budgeted, creating a +£0.3m pressure. This is being offset by the underspend on residential placements. Plans are being put in place to manage the demand for

high cost external placements in order to contribute towards the in-year additional budget reduction requirement.

22. As in previous years, the Council is having to subsidise services for UASC, as the grant funding received from the Home Office is insufficient to cover the total cost. In 2018/19 the budget was increased for this level of subsidy, which totals £4.5m, within a total cost of £8.9m. The Council still awaits the revised funding arrangements from the Home Office, which is likely to alter the level of subsidy. As at 30 September 2018 the service was supporting 107 UASC.

23. The budget for the leaving care service was increased by £2m for 2018/19 to allow for the forecast rise in demand and the increased level of need.

Quality & Performance Services

£0.4m forecast overspend

24. Quality & Performance's overspend relates to the CP chairs team and looked after children (LAC) review team, both of which have had to employ agency staff above establishment to cover these teams' core statutory work.

Commissioning Services

£0.2m forecast overspend
-£0.4m management actions remaining

25. Commissioning Services' +£0.2m overspend mainly relates to staff required to support historic enquiries. The project originally planned for two months has now been extended to January 2019. This is partly offset by vacancies in the service which have increased this month and will not be filled this year.

Health, Wellbeing & Adult Social Care

Adult Social Care

-£5.0m forecast underspend (-£1.3m improvement since 31 August 2018)
-£5.0m management actions remaining

26. Adult Social Care (ASC) projects -£5.0m underspend as at 30 September 2018. This is a -£1.3m improvement from last month mainly due to -£1.1m delivery of management actions to achieve in year cost reductions.

27. As part of the Council's strategy to ensure it has a financially sustainable budget, ASC has a target to reduce spending by -£10.7m to meet its revised in-year budget envelope as part of the council's £40m reduction in spending in 2018/19. ASC has to take remaining management action to reduce in year spending by a further -£5.0m comprising -£1.5m cost reductions by managing down care package budgets and -£3.5m cost reductions by avoiding the increased costs of care.

28. As set out in Table 2, if all management actions are completed successfully, the latest forecast against this plan is -£10.6m underspend. However, projected

underachievement against the service's original savings plans of +£0.4m, plus +£1.0m bad debts less -£0.8m other budget variances reduces the overall September forecast revised outturn to -£10.0m underspend. This represents a +£0.7m forecast shortfall against ASC's revised budget envelope.

Table 2 Summary of ASC forecast outturn variance as at 30 September 2018

Description of budget variance	**Plan to meet ASC budget envelope £m**	**Latest forecast £m**	**Plan variance £m**
Additional planned actions through managing care package budgets to deliver underspends and reduce demand at the front door	-2.6	-1.9	0.7
Mitigation of budgeted increased costs of care	-5.0	-5.0	0.0
Forecast surplus on assessed fees & charges income	-1.0	-1.4	-0.4
Underspend on staffing budgets outside of savings plans	-2.1	-2.3	-0.2
Additional in-year underspends	**-10.7**	**-10.6**	**0.1**
Underachievement against ASC's original MTFP savings plans (£18.0m forecast vs £18.4m target)	0.0	+0.4	0.4
Bad debts and other budget variances	0.0	+0.2	0.0
Total forecast budget variance	**-10.7**	**-10.0**	**0.7**

Public Health

-£0.1m forecast underspend (no change since 31 August 2018)

29. Public Health (PH) forecasts to underspend by -£0.1m in 2018/19. The majority of PH savings are believed to be achievable within the agreed timescales. However, £0.6m sexual health MTFP savings are now no longer deemed achievable. In order to meet its 2018/19 savings target, PH is implementing various one off measures to achieve the saving from elsewhere in its budget. However, these compensating cost reductions are not sustainable and add a pressure in sexual health in future years. PH is actively looking for a sustainable replacement saving for 2019/20 onwards and is monitoring it closely to ensure there is no bottom line impact.

Economy, Growth & Commercial Directorate

Economic Growth

Balanced forecast outturn (-£0.1m improvement since 31 August 2018)

30. Economic Growth forecasts a balanced outturn position. This is due to £300,000 commitments against the Surrey Growth Fund, offset by -£257,000 budget reductions in the Economy Team and -£71,000 agreed carry forward draw down.

Property budgets managed by Orbis

-£3.0m forecast underspend (no change since 31 August 2018)
-£1.8m management actions remaining

31. Property Services forecasts -£3.0m underspend. This is due to management action taken to achieve in year cost reductions, including -£2.0m from reducing buildings maintenance and -£0.6m from spending less on evaluating new schemes. The -£1.8m management actions remaining includes -£1.0m budget reductions which are judged to be high risk and -£0.6m from utilities, which will depend on the winter weather.

Legal Services

+£0.2m forecast overspend (no change since 31 August 2018)
-£0.5m management actions remaining

32. Legal Services forecasts a +£0.2m overspend mainly because of the high cost of childcare cases (which may increase due to their high volume) offset by cost reductions in staffing and suppliers and services. Legal Services needs -£0.5m management actions to bring its spending in line with its budget target.

Democratic Services

-£0.3m forecast underspend (no change since 31 August 2018)
-£0.1m management actions remaining

33. Democratic Services has taken management action to achieve its in year cost reductions and forecasts -£0.3m underspend.

Highways, Transport & Environment Directorate

Highways & Transport

-£1.8m forecast underspend (+£0.1m deterioration since 31 August 2018)
-£0.0m management actions remaining

34. Highways & Transport forecasts -£1.8m underspend as at 30 September 2018 and -£0.5m remaining management actions from -£2.0m needed to meet the new reduced budget envelope for the service.

35. Highways & Transport has achieved -£1.7m of its additional in-year cost reductions from use of Strategic Transport grants, parking income and other reported underspends. Management actions remain for cost reductions from developer receipts and local committee schemes.

36. Planned highways works are currently under way and generally forecast to spend to budget.

Environment

+£0.2m forecast outturn (-£0.1m improvement since 31 August 2018)
-£0.5m management actions remaining

37. Environment forecasts a +£0.2m overspend as at 30 September 2018 and -£0.5m management actions remaining to meet the new reduced budget envelope for the service, including use of developer income.

38. Waste currently forecasts a balanced outturn. Construction of the Eco Park, while progressing, is delayed. This will lead to lower cost this year, by around £13.5m and increased costs in future years, which Council will manage through the Waste Sinking Fund. The forecast outturn therefore assumes reduced costs in 2018/19 will result in a sinking fund contribution to meet the costs when they arise in future years. Cabinet approval will be sought for the sinking fund contribution, once the final amount is known.

Surrey Fire and Rescue Service
-£0.3m forecast underspend (no change since 31 August 2018)
£0.1m management actions remaining

39. Surrey Fire and Rescue Service (SFRS) forecasts a -£0.3m underspend, mainly due to a -£0.5m staff pay and pensions underspend (includes provision for an assumed 2% Firefighter pay award from July 2018), partly offset by +£0.2m income shortfall. SFRS is actively investigating mitigating actions to cover this shortfall.

Trading Standards

-£0.1m forecast underspend (no change since 31 August 2018)

40. Trading standards forecasts a -£0.1m underspend. Mainly caused by staff vacancies, partly offset by a related shortfall in income.

Community Support

-£0.2m forecast underspend (+£0.1m deterioration since 31 August 2018)

41. Community Support forecasts an underspend of over -£0.2m due to the previous year's staffing review and further staff cost reductions identified in the current year.

Emergency management

-£0.1m forecast underspend (-£0.1m improvement since 31 August 2018)

42. Emergency management forecasts a small underspend (-£74,000) due to higher than expected income from Local Resilience Forum activities.

Customer, Digital & Transformation Directorate

Strategic Leadership

+£0.1m forecast overspend (+£0.1m deterioration since 31 August 2018)

43. Strategic Leadership forecasts a small overspend. This anticipates a budget transfer for changes in the senior leadership structure.

Communications

-£0.2m forecast underspend (no change since 31 August 2018)
no management actions remaining

44. Communications forecasts a -£0.2m underspend. This is due to holding staff vacancies and reduced communications expenditure.

Strategy & Performance

-£0.3m forecast underspend (-£0.1m improvement since 31 August 2018)
-£0.0m management actions remaining

45. Strategy & Performance forecasts a -£0.3m underspend. This is mainly due to staffing reductions and holding vacancies.

Customer Services

-£0.2m forecast underspend (no change since 31 August 2018)
£0.0m management actions remaining

46. Customer Services forecasts a -£0.2m underspend. This is mainly due to holding staff vacancies and ceasing to use bank staff.

Human Resources & Organisational Development (HR&OD), Information Technology & Digital Services managed by Orbis and Orbis Joint Operating Budget (JOB)

-£3.3m forecast underspend (-£1.3m improvement since 31 August 2018)
-£0.5m management actions remaining

47. HR&OD, IT&D and Orbis JOB forecasts a -£3.3m underspend, a -£1.3m improvement since last month. The change is mainly due to -£0.8m in year cost reductions identified by HR&OD, -£0.3m IT&D improvement from staffing and additional data centre income and -£0.2m reduction in contribution to Orbis expenditure.

Corporate Support Services – Coroner
+£0.2m forecast overspend (no change since 31 August 2018)
-£0.1m management actions remaining

48. The Coroner forecasts +£0.2m overspend, due to pressures arising from high cost inquests. The Coroner requires -£0.3m management actions to bring expenditure in line with the revised budget envelope.

Finance Directorate

Finance budgets managed by Orbis

Balanced forecast (no change since 31 August 2018)
-£0.4m management actions remaining

49. Finance forecasts a balanced year end position.

Central Income & Expenditure (including General Funding)

-£4.1m forecast underspend (-£0.2m improvement since 31 August 2018)
-£3.4m management actions remaining

50. Central Income & Expenditure (CIE) forecasts a -£4.1m underspend overall. This comprises -£9.4m service expenditure variances and +£5.3m General Funding variances.

51. The main service expenditure variances are from management actions related to: -£2.2m budgeted contributions to reserves no longer considered necessary, given the Council's financial context; -£4.3m balances identified in a balance sheet review, which are no longer needed for their original purpose and can be applied to fund current year expenditure; -£3.3m lower Minimum Revenue Provision (MRP) due to 2017/18 capital programme spending being less than budgeted; and -£0.9m more investment strategy income than budgeted; partly offset by +£1.7m shadow savings considered unachievable against Public Health and Dedicated Schools grants. As reported in May 2018, the main General Funding variance is +£5.3m shortfall in the budgeted use of capital receipts to fund service transformation work.

52. CIE has -£3.4m management actions remaining, related to efficiencies across non-front line services and a moratorium to discretionary spending.

Revenue savings and cost reductions

53. To ensure a considered, strategic and corporate approach to financial management and reporting, Corporate Leadership Team: tracks and monitors delivery of MTFP savings and additional in year cost reductions; and will develop plans for alternative savings as required.

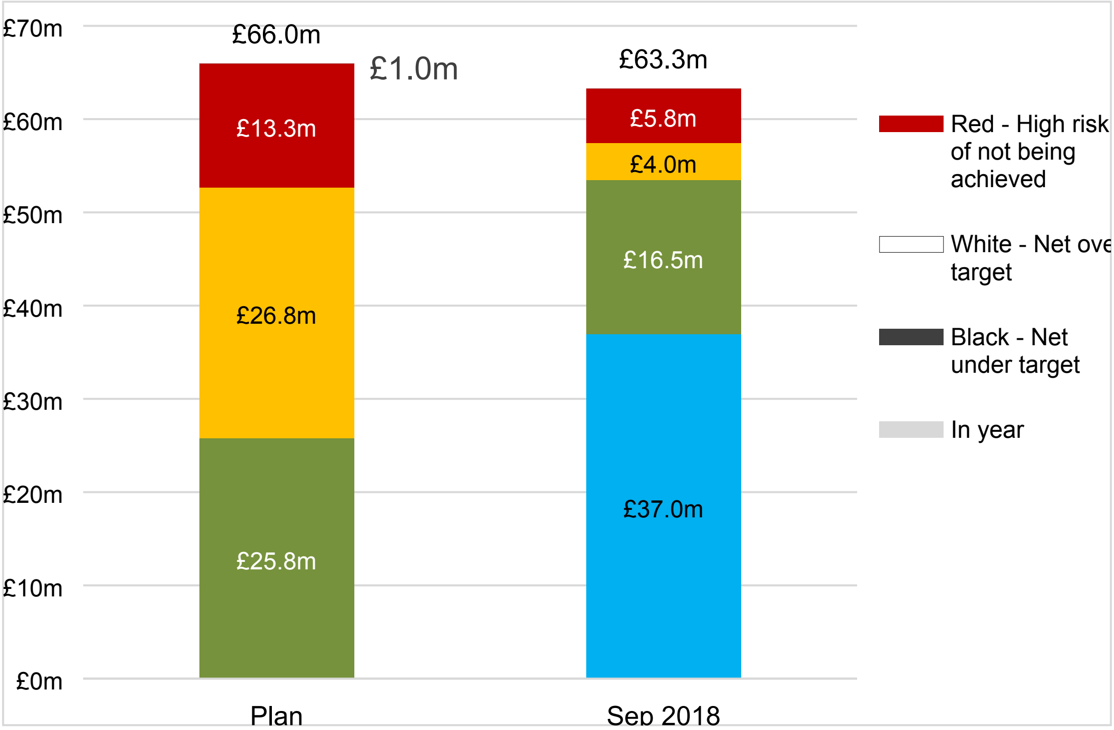
MTFP savings

54. The Council's 2018/19 revenue budget includes £66m net ongoing MTFP savings. As at 30 September 2018, directorates forecast to deliver £63m against this target, this shortfall, due to conclusion that some planned savings are not achievable, masks some overachievement in other areas. The details of this are shown in Annex 2 and are reflected in the forecast year end position where relevant.

55. Figure 1 shows the risk ratings for the MTFP savings as at 30 September 2018. Directorates assess the achievability risks for the £66.0m planned MTFP savings, based on their achievement to date and the forecast profile for

achieving the remaining savings over the year. Within the overall savings profile: £53.5m are achieved or on track, £4.0m face potential barriers and £5.8m have a high risk of not being achieved. In addition a net £2.7m planned savings are forecast to underachieve against their targets.

Figure 1 Risk ratings for MTFP savings as at 30 September 2018



56. Of the £5.8m savings projects at high risk, £5.2m relates to Schools & SEND's cost containment plan, including: £1.4m from targeted local provision, £1.3m from renegotiating costs with suppliers, £1.0m from a review of multi-agency placements, £0.7m from a review of the cost base and inflationary increases and £0.5m from a review of health contributions to placements. The remaining £0.6m relates to home to school transport. Annex 2 provides more details of performance against individual plans for the gross MTFP savings. Work to ensure that these savings are delivered continues to be a focus.

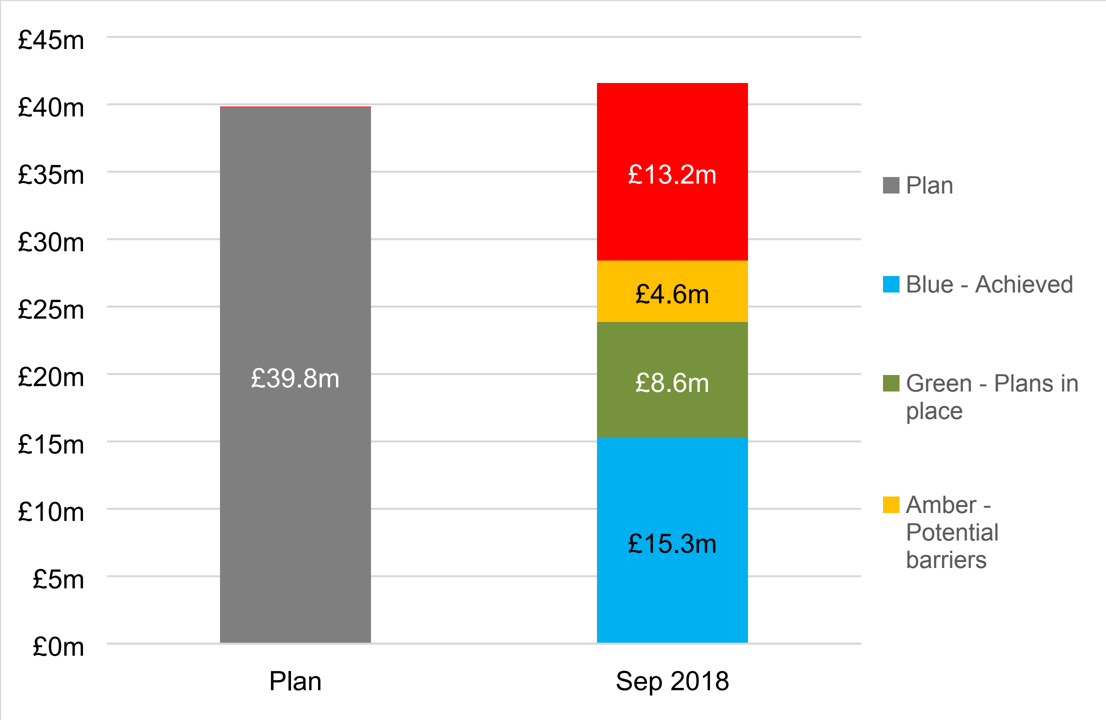
Revised Budget Envelopes

57. To improve the Council's financial resilience, Cabinet approved revised budget envelopes for all services in September, which required a reduction in spending of £40m in 2018/19.

58. Figure 2 shows the risk ratings for the management actions to achieve the £40m cost reductions as at 30 September 2018 compared to the plan. The actions rated blue or green total £23.9m and are included in the forecast outturn position. The actions rated amber or red total £17.7m and still require management actions, so are not included in the forecast outturn position. Some of the actions rated blue and green are forecast to overachieve against their targets and no management action has a forecast of less than its target. This

accounts for the difference between the total for all of the actions and the £40m overall budget reduction target. Annex 4 provides more details.

Figure 2 Risk ratings for achievement of the £40m in year cost reductions



59. Of the areas requiring further management actions, the most significant risks relate to the following areas.

- £3.4m actions in CIE (paragraph 52).
- £1.8m in Property (EGC) as outlined in paragraph 31.
- £1.5m actions in ASC to manage care package budgets. This area had a target of £2.7m, of which ASC has achieved £0.4m, leaving it £0.8m under target.
- £1.5m in CFLC from £0.6m staffing reductions in Corporate Parenting & Family Resilience, plus £0.9m from greater control on spending, especially placements, contracts and grants.
- £1.1m in CDT from £0.5m underachievement of various IT&D reductions (against the £1.8m target) and £0.6m underachievement against the £1.6m target for the reduced contribution to Orbis. These are largely due to the time available in 2018/19 to achievement them.
- £0.8m actions in Corporate Parenting (CFLC) from maintaining external placement numbers at current levels. This area has a £1.2m target and the remaining £0.4m is achieved or on track. As placement decisions have a dependency on the cases arising over the course of the year an element will continue to be at risk.

Service transformation

60. Local authority funding remains uncertain, especially around the future of the Business Rates Retention Scheme, the Fair Funding Review, negative Revenue Support Grant and the prospects anticipated in the deferred Green Paper on adult social care. The Chancellor of the Exchequer's Autumn Budget of 29 October 2018 announced some new funding for local government in 2019/20. However, the amounts the Council might receive are not yet know, nor whether the new money will have equivalent spending obligations attached. In addition, the Chancellor gave no indications of local government funding for years after 2019/20. As such, the Council does not yet forecast any significant new or additional government funding to meet the continuing and rising pressures it faces over the medium term.

61. Faced with these uncertainties and pressures, Cabinet is developing a programme of transformational changes to ensure the Council has sustainable services for residents. This transformation was set out in the County Council report of 22 May 2018, "Developing a Vision for Surrey in 2030". The benefits of the transformation programme will start to flow from 2019/20, with further benefits in 2020/21.

62. At its Budget and Council Tax meeting on 6 February 2018, Council approved a Flexible Use of Capital Receipts Strategy. This enables the Council to use capital receipts to fund the revenue costs of service reform projects. At its meeting on 22 May 2018, Council approved up to £5.0m for interim capacity and project management support for the Transformation Programme. The current spend relating to this is £1.2m and the full £5.0m is currently expected to be required this financial year.

63. Outline Business Cases for the transformation savings were presented for agreement in principle to Cabinet at its meeting on 30 October 2018. These, and the more detailed Full Business Cases for savings, will link to a more robust budget setting process for 2019/20 and the next five year MTFP. The Provisional Finance Strategy and preliminary balanced budget for 2019/20, without the use of reserves were presented to the County Council in November 2018 (subject to any changes resulting from the Local Government Finance Settlement expected in December). This is three months in advance of previous years.

Capital programme overview

64. The Council set its three year MTFP capital programme at £322m, including £144m in 2018/19. This major investment in Surrey's infrastructure and economy focuses on the growth in pupil numbers and the importance residents place on good roads and services.

Capital programme budget monitoring headlines

65. In September 2018, Cabinet approved revisions to the capital programme budget to ensure it aligns with the Council's long term strategy and priorities.

Last month, Cabinet agreed to reprofile £1.8m from IT & Digital spending into future years. These revisions result in a 2018/19 service capital programme budget of £133.0m. Table 3 shows directorates forecast spending £131.9m against this budget, a -£1.1m variance. Significant variances include -£0.5m in Property Services due to asbestos issues causing delays in replacing modular buildings.

66. As part of increasing its overall financial resilience the Council forecasts making £44m net investment in long term income generating capital assets in 2018/19 (paragraphs 69 to 72). This brings total forecast capital spending in 2018/19, to £177m.

Table 3 2018/19 capital programme budget variances as at 30 September 2018

	Current full year budget £m	Apr -Sep actual £m	Oct - Mar Forecast £m	Full year forecast £m	Full year variance £m
Schools basic need	**27.1**	**16.4**	**10.8**	**27.1**	**0.0**
Property Services	**30.8**	**14.1**	**16.1**	**30.3**	**-0.6**
Highways & Transport	**57.5**	**21.6**	**35.9**	**57.5**	**0.0**
Environment	**1.8**	**0.5**	**1.3**	**1.8**	**0.1**
IT & Digital	**4.5**	**0.5**	**3.7**	**4.2**	**-0.3**
Other capital projects	**11.3**	**1.3**	**9.6**	**11.0**	**-0.4**
Service capital programme	**133.0**	**54.4**	**77.5**	**131.9**	**-1.1**
Long term investments	**0.0**	20.2	24.2	**44.4**	**44.4**
Overall capital programme	**133.0**	**74.6**	**101.7**	**176.3**	**43.2**

Note: All numbers have been rounded - which might cause a casting difference

Capital programme adjustments

67. In October 2017 Cabinet confirmed its support to the Farnham Road bridge project, giving approval to enter into a formal agreement with Network Rail and confirm the Council's financial contribution to the scheme, and for a funding mechanism to be identified. Scheme costs have now been agreed at £6.7m including a risk allowance, and Surrey's contribution is £3.6m (compared to an estimate of £3.5m in 2017) plus project management costs. Opportunities for additional grant funding are being explored, including from the Department for Transport. However in the absence of additional grant funding the Council's contribution will be met from the Highways & Transport bridge strengthening capital budget, over a number of years. This would be facilitated by either reprofiling existing budgets (bringing forward future years' budgets) or through a loan from Enterprise M3 LEP, which would allow costs to be repaid from the bridge strengthening budget over a number of years. Highways & Transport requests to add this scheme to the capital programme across 2018/19 and 2019/20.

68. Highways & Transport requests approval for a £1.1m capital virement to the Local Enterprise Partnerships (LEP) budget, resourced by £0.6m from Highways Maintenance, in respect of match funding for Epsom Plan E, and £0.5m from Network Resilience to match fund drainage works on the Runnymede Roundabout. Highways & Transport also requests approval for a

£0.74m capital virement to the A24 LEP budget from the Major Maintenance budget.

Investment Strategy

69. Income of -£6.5m is forecast to be delivered from investment assets this financial year, of which £5.6m will be from acquisitions made by the Council's property company, Halsey Garton Property group (HGP). This income is comprised of a dividend of -£2.0m and -£3.6m net interest margin on loans provided to the company by the Council. This -£0.2m increase from last month's forecast captures the expected tax benefit from a recent review of capital allowances.

70. The net income from investments held directly by the Council is forecast at -£0.9m, and in total investments will therefore provide -£6.5m income this year. Offsetting this is spend of £1.6m, which is the revenue cost, in funding terms, of development activity underway or acquisitions pending development and is predominantly focused on the former Thales site in Crawley. The Phase 1 office building has completed and is now substantially let to SECAmb and another tenant with a part floor remaining which is being marketed. The second phase building becomes operational in 2019. Once these two phases are completed and fully let, the development will generate an estimated -£1.3m net income each year.

71. The net income of -£4.9m is -£0.9m in excess of the income budget of -£4.0m held within Central Income & Expenditure. The current investment portfolio plus future commitments such as the Brightwells Farnham scheme and other development activities are forecast to deliver a net income of -£8.3m in 2019/20.

72. Forecast capital expenditure in 2018/19 is £44.4m and includes further equity and loans to HGP for approved investments, the completion of development in Crawley and Farnham town centre. The capital outturn for the year is reported net of an estimated -£6.8m in third party contributions.

Table 4 Investment strategy revenue and capital position as at 30 September 2018

Revenue statement	**YTD actual £m**	**Full year forecast £m**
Income from investments	-2.3	-6.5
Less expenditure on developments	1.0	1.6
Total net income	-1.3	-4.9
Capital expenditure	**20.2**	**44.4**

Note: All numbers have been rounded - which might cause a casting difference

Balance sheet

73. Table 5 shows the Council's balance sheet as at 30 September 2018. Significant movements since 31 March 2018 include: £13m increase in long term assets due to £9m increase in Property, plant & equipment net of depreciation and academy transfers; £10m increase in current assets, principally due to cash from grants received at the start of the financial year, less reduction in short term debtors; £45m decrease in current liabilities due to decreases in short term borrowing as part of the treasury management strategy and as a result of cash at 31 March 2018 being the low point of the year; increases in social care creditors; and application of Schools Basic Need Grant for 2018/19 being received in advance as at 31 March 2018.

Table 5 Balance sheet as at 30 September 2018

31 Mar 2017 £m	31 Mar 2018 £m		30 Sep 2018 £m
1,752.3	1,723.1	Property, plant & equipment	1,732.4
1.0	1.0	Heritage assets	1.0
54.1	74.8	Investment property	74.8
7.0	7.9	Intangible assets	7.3
46.7	72.1	Long Term Investments	73.2
124.5	184.6	Long Term Debtors	188.1
1,985.7	**2,063.4**	**LONG TERM ASSETS**	**2,076.8**
0.0	0.0	Short term investments	0.0
0.8	0.6	Intangible assets	0.6
10.9	10.1	Assets held for sale	10.1
1.4	1.0	Inventories	0.6
144.7	136.8	Short term debtors	93.7
56.1	51.2	Cash & cash equivalents	104.9
213.9	**199.7**	**CURRENT ASSETS**	**209.9**
0.0	0.0	Cash & cash equivalents	0.0
-140.7	-212.7	Short term borrowing	-180.2
-190.8	-207.7	Creditors	-216.3
-4.3	-3.1	Provisions	-2.2
-0.1	-0.1	Revenue grants receipts in advance	0.0
-9.2	-19.8	Capital grants receipts in advance	0.0
-13.3	-17.9	Other short term liabilities	-17.9
-358.3	**-461.3**	**CURRENT LIABILITIES**	**-416.7**
-25.2	-18.7	Provisions	-19.2
-397.8	-397.8	Long term borrowing	-397.8
-1,696.2	-1,709.5	Other long term liabilities	-1,709.1
0.0	0.0	Donated assets account	0.0
-2,119.1	**-2,126.1**	**LONG TERM LIABILITIES**	**-2,126.2**
-277.9	**-324.2**	**NET ASSETS**	**-256.2**
-341.1	-330.1	Usable reserves	-449.2
619.0	654.3	Unusable reserves	705.5
277.9	**324.2**		**256.2**

Earmarked reserves

74. As outlined above, the Council initiated a £40m in year cost reduction programme with the aim to eliminate the need to use reserves to balance 2018/19. Table 6 shows the Council's earmarked reserves and general balances as at 30 September 2018, including:

- the closing balances for 2017/18,
- the opening balances for 2018/19
- actual and forecast movements in 2018/19
- current closing balance at 31 March 2019 based on movements to date and forecast movements in the rest of 2018/19; and
- closing balance based on the 2018/19 forecast outturn, which anticipates returning £4.1m to the Budget Equalisation Reserve.

Table 6: Earmarked revenue reserves as at 30 September 2018

	Closing balance 31 Mar 18 £m	Planned support for 2018/19 £m	Approved c/fwds 2018/19 £m	Opening balance 1 Apr 18 £m	Actual movements up to 30 Sep 18 £m	Forecast movements to 31 Mar 19 £m	Current closing balance 31 Mar 19 £m	Projected outturn closing balance 31 Mar 19 £m
Revolving Infrastructure & Investment Fund	**11.1**			**11.1**			11.1	11.1
Budget Equalisation Reserve	**22.6**	-4.6	-1.3	**16.7**	-0.1	0.1	16.7	20.8
Eco Park Sinking Fund	**6.7**			**6.7**		13.5	20.2	20.2
Insurance Reserve	**9.1**			**9.1**			9.1	9.1
Investment Renewals Reserve	**5.0**			**5.0**		-0.1	4.9	4.9
General Capital Reserve	**4.8**			**4.8**	0.1	-0.1	4.8	4.8
Street lighting PFI Reserve	**3.7**			**3.7**		-0.6	3.1	3.1
Economic Downturn Reserve	**9.2**	-9.2		**0.0**			0.0	0.0
Economic Prosperity Reserve	**2.5**	-2.5		**0.0**			0.0	0.0
Equipment Replacement Reserve	**2.3**			**2.3**	0.4	-0.9	1.8	1.8
Business Rate Appeals Reserve	**3.6**	-3.6		**0.0**			0.0	0.0
Interest Rate Reserve	**1.0**	-1.0		**0.0**			0.0	0.0
Total earmarked revenue reserves	**81.6**	**-20.9**	**-1.3**	**59.4**	**0.4**	**11.9**	**71.7**	**75.8**
General Fund Balance	**21.3**			**21.3**			**21.3**	**21.3**

Note: All numbers have been rounded - which might cause a casting difference

Debt

75. During the second quarter of 2018/19, the Accounts Payable team raised invoices totalling £179.6m. The amount outstanding on these invoices was £45.7m of gross debt as at 30 September 2018. Table 7 shows the age profile of the Council's debts. The overdue debt is the gross debt less those balances not immediately due (i.e. less than 30 days old).

Table 7: Age profile of the council's debts as at 30 September 2018

Account group	<1 month £m	1-12 months £m	1-2 years £m	+2 years £m	Gross debt £m	Overdue debt £m
Care debt – unsecured	5.7	4.4	2.4	4.3	16.8	11.1
Care debt – secured	0.4	3.0	2.0	3.9	9.3	8.9
Total care debt	**6.1**	**7.5**	**4.5**	**8.2**	**26.2**	**20.1**
Schools, colleges and nurseries	1.1	0.8	0.0	0.0	1.9	0.8
Clinical commissioning groups	6.5	2.6	0.2	0.1	9.4	2.9
Other local authorities	0.6	1.2	0.0	0.0	1.9	1.3
General debt	4.2	1.5	0.3	0.2	6.3	2.1
Total non-care debt	**12.5**	**6.1**	**0.6**	**0.3**	**19.5**	**7.1**
Total debt	**18.6**	**13.6**	**5.1**	**8.5**	**45.7**	**27.1**

Note: All numbers have been rounded - which might cause a casting difference

76. Adjusting the gross debt to take into account those balances not immediately due (i.e. less than 30 days old) or collectable (i.e. secured on property) produces the overdue debt figures shown in Table 8.

77. Changes introduced under the Care Act 2014 mean it is no longer possible to place a charge on an individual's property resulting in a rise in the level of unsecured debt (as this debt would previously have been reported as secured). Over the quarter to 30 September 2018 overdue, unsecured debt rose by £1.1m.

Table 8: Overdue, unsecured debt summary as at 30 September 2018

	2018/19 Q2 £m	2018/19 Q1 £m	2017/18 Q4 £m	2016/17 Q4 £m	2015/16 Q4 £m
Care related debt	11.1	11.3	9.9	8.9	10.8
Non care related debt	7.1	5.8	5.1	3.8	7.6
Total	**18.2**	**17.1**	**15.0**	**12.7**	**18.4**

Note: All numbers have been rounded - which might cause a casting difference

78. The Council's debt policy includes a target of 30 days to collect non-care debt. The average number of non-care debtor days for the period 1 April 2018 to 30 September 2018 was 23 days.

79. The Director of Finance has delegated authority to write off irrecoverable debts in line with financial regulations. This quarter (Q2 2018/19) the Director of Finance has written off 124 such debts of £487,819 total value, of which £466,198 is care related and £21,621 is non care related debt.

Treasury management

Borrowing

80. The Council borrows money to finance the amount of its capital spending that exceeds receipts from grants, third party contributions, capital receipts and reserves. The Council must demonstrate its costs of borrowing are affordable, prudent and sustainable under the Prudential Code. Table 9 shows movements in the Council's long term borrowing.

Table 9: Long term borrowing as at 30 September 2018

	£m
Debt outstanding as at 1 April 2018	397.2
Loans raised	0.0
Loans repaid	0.0
Current balance as at 31 March 2019	**397.2**

Note: All numbers have been rounded - which might cause a casting difference

81. The weighted average interest rate of the Council's long term debt portfolio is 4.1% as at 30 September 2018.

82. The Treasury Strategy, approved by County Council in February 2018, continued the policy of internal borrowing and where necessary, to borrow short term to meet cash flow liquidity requirements. Table 10 shows the Council's short term borrowing activity in 2018/19.

Table 10: Short term borrowing as at 30 September 2018

	£m
Debt outstanding as at 31 March 2018	193
Loans raised	385
Loans repaid	-408
Current balance as at 30 June 2018	**170**

Note: All numbers have been rounded - which might cause a casting difference
Figures are for Surrey County Council only and do not include Surrey Police Authority

83. The weighted average interest rate of the Council's short term external debt is 0.94% for the six months to 30 September 2018. The Council also manages cash on behalf of Surrey Police (£29.6m as at 30 September 2018) which it classifies as temporary borrowing.

Authorised limit and operational boundary

84. The prudential indicators control the Council's overall level of borrowing. They comprise the authorised limit and the operational boundary as outlined below. Table 11 shows the Council's borrowing against its prudential indicators.

- The authorised limit represents the limit beyond which borrowing is prohibited. The limit reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable. It is the expected maximum borrowing needed with headroom for unexpected cash flow. This is a statutory limit determined under section 3(1) of the Local Government Act 2003.
- The operational boundary is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. It acts as an indicator to ensure the authorised limit is not breached.

Table 11 Borrowing against the CFR during the six months to 30 September 2018

	Authorised limit £m	Operational boundary £m
Gross borrowing	626	626
Limit / boundary	1,643	1,059
Headroom	**1,017**	**433**

Note: All numbers have been rounded - which might cause a casting difference

Capital Financing Requirement

85. The Capital Financing Requirement (CFR) represents the Council's underlying need to borrow for a capital purpose. The Council must ensure that, in any one year, net external borrowing does not, except in the short term, exceed its estimated CFR for the next three years. Table 12 shows the Council's position against the estimated CFR, as reported to the County Council in February 2018. As at 30 September 2018, the Council shows a net borrowing position (total borrowing for any purpose) of £561m (£597m total borrowing, less £36m cash deposits). The difference between net borrowing and the estimated CFR reflects the Council's under borrowed position as a result of the strategy to maximise internal borrowing.

Table 12: The Council's position against the estimated CFR

Capital Financing Requirement			Net borrowing
2018/19	2019/20	2020/21	
£1,231m	£1,249m	£1,263m	£516m

Note: All numbers have been rounded - which might cause a casting difference

Maturity profile

86. The Council sets limits for the maturity structure of borrowing in accordance with the Prudential Code. Table 13 shows the actual amounts as at 30 September 2018, excluding balances invested on behalf of Surrey Police.

Table 13: Maturity profile of the Council's borrowing as at 30 September 2018

	Upper limit	Lower limit	Actual
Repayable in 1 year*	50%	0%	33.4%
Repayable in 1-2 years	50%	0%	0%
Repayable in 2-5 years	50%	0%	1.6%
Repayable in 5-10 years	75%	0%	0%
Repayable in 10-50 years	100%	25%	65%

Note: All numbers have been rounded - which might cause a casting difference

Early debt repayment and rescheduling

87. The Council has not made early repayments or rescheduled debt in 2018/19.

Investments

88. The Council has had an average daily level of investments of £39.7m so far during 2018/19 and had an average of £68.7m during 2017/18. This reflects the change in policy in the treasury strategy to reduce the amount of cash held during the year by borrowing over shorter periods.

89. The Council invests its temporary cash surplus exclusively through the use of money market funds. Other investment facilities are available, including five brokers, directly with counterparties through the use of call accounts or direct deal facilities, or with the Debt Management Office (DMO). No new fixed term deposits have been agreed during 2018/19 due to the low cash balances held and the need to maintain high liquidity. Table 14 shows activity for the financial year to 30 September 2018.

Table 14: Deposit activity for the year up to 30 September 2018

Timed deposits	Number	Average value £m	
Deals using a broker	0	0	
Direct deal facilities	0	0	
Deals with DMO	0	0	
Instant access	**Number**	**Individual limit £m**	**Total limit £m**
Active call accounts	0	20.0	20.0
Active money market funds	5	25.0	125.0

Note: All numbers have been rounded - which might cause a casting difference

90. The weighted average return on all investments the Council received in the six months to 30 September 2018 is 0.40%. This compares to the 0.44% average 7-day London Interbank Bid Rate (LIBID) for the same period as shown in Table App11.

Table 15: Weighted average return on investments compared to 7-day LIBID

	Average 7-day LIBID	Weighted return on investments
2018/19 quarter 2	0.51%	0.58%
2018/19 quarter1	0.36%	0.21%
2017/18 total	0.21%	0.22%
2016/17 total	0.20%	0.38%

Note: All numbers have been rounded - which may cause a casting difference.

Risk based approach

91. The Council operates a risk based approach to budget monitoring across all services. The approach ensures the Council focuses on monitoring those higher risk budgets due to their value, volatility or reputational impact.

92. Managers with high risk budgets monitor their budgets monthly, managers with low risk budgets monitor their budgets quarterly (or more frequently on an exception basis, if the year to date budget and actual spend vary by more than 10%, or £50,000, whichever is lower).

CONSULTATION:

93. All Cabinet Members will have consulted their relevant director or head of service on the financial positions of their portfolios.

RISK MANAGEMENT AND IMPLICATIONS:

94. Risk implications are stated throughout the report and each relevant director or head of service has updated their strategic and or service risk registers accordingly. In addition, the leadership risk register continues to reflect the increasing uncertainty of future funding likely to be allocated to the Council and the sustainability of the MTFP. In the light of the increased and significant financial risks faced by the Council, the Leadership Risk Register will be reviewed to increase confidence in directorate plans to mitigate the risks and issues.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

95. The report considers financial and value for money implications throughout and future budget monitoring reports will continue this focus.

SECTION 151 OFFICER COMMENTARY

96. The Section 151 Officer confirms the financial information presented in this report is consistent with the Council's general accounting ledger and that forecasts have been based on reasonable assumptions, taking into account all material, financial and business issues and risks.

97. The Council has a duty to ensure its expenditure does not exceed resources available. During 2018/19, the Council plans to deliver £66m MTFP spending reductions and a reduce spending by a further £40m as it moves towards a sustainable budget for future years. All services must continue to take all appropriate action to keep costs down and optimise income (e.g. through minimising spending, managing vacancies wherever possible). Adverse variances will require remedial in-year efficiencies and budget reductions.

98. It is drawn to Members' attention that the Council's reserves are already at low levels bearing in mind the ongoing uncertainty about: future funding, demand pressures, savings and the transformation programme. For these reasons and to increase the Council's financial resilience, the Council needs to achieve all of its £66m MTFP savings and all of the £40m in year cost reductions Cabinet has approved. Unless the Council achieves these savings and cost reductions in 2018/19, it risks depleting reserves to unacceptable levels.

LEGAL IMPLICATIONS – MONITORING OFFICER

99. The Council is under a duty to set a balanced and sustainable budget. The Local Government Finance Act requires the Council to take steps to ensure that the Council's expenditure (that is expenditure incurred already in year and anticipated to be incurred) does not exceed the resources available whilst continuing to meet its statutory duties.

100. Cabinet should be aware that if the Section 151 Officer, at any time, is not satisfied that appropriate strategies and controls are in place to manage expenditure within the in-year budget they must formally draw this to the attention of the Cabinet and Council and they must take immediate steps to

ensure a balanced in-year budget, whilst complying with its statutory and common law duties.

EQUALITIES AND DIVERSITY

101. Any impacts of the budget monitoring actions will be evaluated by the individual services as they implement the management actions necessary In implementing individual management actions, the Council must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010 which requires it to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

102. Services will continue to monitor the impact of these actions and will take appropriate action to mitigate additional negative impacts that may emerge as part of this ongoing analysis.

OTHER IMPLICATIONS:

103. The potential implications for the following Council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct implications:
Corporate Parenting / Looked After Children	No significant implications arising from this report.
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report.
Public Health	No significant implications arising from this report.
Climate change	No significant implications arising from this report.
Carbon emissions	No significant implications arising from this report.

WHAT HAPPENS NEXT:

104. The relevant adjustments from the recommendations will be made to the Council’s accounts.

Contact Officer:
Leigh Whitehouse, Interim Executive Director of Finance
020 8541 7246

Consulted:
Cabinet, executive directors, heads of service.

Annexes:
Annex 1 – Overall and directorate revenue budget financial position.
Annex 2 – MTFP savings projects 2018/19
Annex 3 – Activity information for the Council's highest risk budgets.
Annex 4 – In year cost reduction programme 2018/19

Sources/background papers:
Revenue and capital budget movements.