Minutes of Budget Sub-Group meeting, 28 May 2020

Members: Graham Knight (Chairman), Nick Harrison, Edward Hawkins, Peter Szanto

Witnesses:

- Mel Few, Cabinet Member for Resources
- Mark Hak-Sanders, Strategic Finance Business Partner
- Becky Rush, Deputy Cabinet Member for Resources
- Leigh Whitehouse, Executive Director of Resources
- Rachel Wigley, Director of Finance Insights

Key points raised during the meeting:

1. The Cabinet Member for Resources introduced the meeting and emphasised that the Covid-19 impact on resources was an ongoing issue and that numbers were not yet final. Numbers submitted to the Ministry for Housing, Communities and Local Government (MHCLG) were estimates. The assumptions were based on a period of two months, but it was uncertain when the current lockdown would end and the situation was very fluid.
2. The Council had spent just over £9m on adult social care (ASC) provision, with an uplift of 7.5% on levels pre-Covid.
3. The initial submission of the Council to central government included the potential loss of £18m savings in the transformation programme, out of £38m in the programme as a whole. Central government had given the Council £47m to cover the potential cost of Covid-19.
4. The Council had also received £19m to go directly to all care homes in Surrey (including those not funded by the Council). 75% of that amount went directly to care homes for infection prevention and control measures, while the other 25% would be passed on to care homes once they could demonstrate these measures to be successful; there was a daily liaison with care homes.
5. The Cabinet Member pointed out that the Council had carried forward £8.9m of contingency into the 2020/21 budget, which could alleviate some of the spending that had increased due to Covid-19.
6. A Member referenced the contingency of £8.9m and an additional £2m, adding up to approximately £11m. He asked the Cabinet Member to confirm that within the base budget there was some additional contingency, adding up to around £20m in total. The Strategic Finance Business Partner said that the 2020/21 budget started with a base contingency of £20.4m, with extra amounts bringing the 2020/21 contingency to £32m in total. There was also an increased general reserve with another £2.8m.
7. A Member asked whether it seemed that government would cover the £18m loss of savings. The Executive Director of Resources responded that at the moment there were mixed messages about what government intended to fund. Initially, the government had said that Local Authorities (LAs) should spend what they need to do during the Covid crisis and the government would underwrite those costs; however, the government then backtracked on that statement quite sharply. The Executive Director had met with a senior civil servant from MHCLG, and it seemed that the government was now making a distinction between spending coming from things the government had asked LAs to do, and things LAs had chosen to do themselves. MHCLG had made some comments about not underwriting commercial income, but

apart from that they had not been clear on the payment point. The Executive Director was anticipating that MHCLG would imminently set out a clear plan for LAs, detailing what would and would not be funded by government.

8. A Member asked whether MHCLG distinguished between commercial income and Council income. The Executive Director replied that this was not clear, but MHCLG's intimation had been that income based on commercial property investment would be separated and not underwritten. When returning April 2020 council tax and business rates, councils had had to make assumptions about the April sums. Surrey County Council and others had asked MHCLG to underwrite tax income, without necessarily putting a figure on it at the moment.
9. The Executive Director informed Members that via the Society of County Treasurers and the County Council Network, Grant Thornton had been commissioned to benchmark across different LAs. A Member queried what other councils were participating in this work. The Executive Director said Grant Thornton was providing some overall information, and that that finance officers had initiated a group of neighbouring counties. This had also been shared in more detail with neighbouring counties. It was worth noting that there was some variation in that information, due in part to the differences in the Covid-19 impact on unitary authorities.
10. A Member remarked that a major part of the budget strategy that was publicised to residents was the 'Big Spend', and it had been emphasised to residents that borrowing was not a bad thing. He queried whether this was still the view. The Cabinet Member responded that at the moment the capital budget stood and borrowing was not an issue, and hopefully the cash coming in from districts and boroughs' council tax would be online. The Strategic Finance Business Partner had made a detailed cash flow that was updated every two weeks. The Community Investment Fund was still going ahead, and the team was looking at reprofiling the capital budget. There may be some difficult discussions coming up in June, but this is where the Council stood at the moment.
11. The Executive Director confirmed the Cabinet Member's position on borrowing. The initial focus so far had been on the current financial year. In the last few months the government had 'drip fed' support to the Council and changed their narrative a number of times, so support from government to the Council was prone to change based on the changing situation of Covid-19. The economic situation within the county was also subject to the possibility of another spike in Covid-19 cases. The Executive Director was keen, however, to convey the message that based on current estimates, the Council was not expecting to be at risk of deficit this year; next year (2021/22) was much more unpredictable.
12. The Strategic Finance Business Partner stated that Bank of England interest rates were at an historic low, and based on conversations with Arlingclose, the cost of borrowing was as low during the Covid-19 pandemic as when the budget had been set in February 2020. Fundamentally, therefore, the budget assumptions had not changed since February 2020 either. Capital Grant Income had also not changed. When the budget was set in February 2020, there was some headroom in the level of capital receipts.
13. A Member asked whether Surrey County Council would receive all its revenue business rates and council tax from Districts and Boroughs, in which case any potential losses would be in their accounts in the current year. The Executive Director responded that business rates and council tax impact would not be felt in the Council's general accounts (via the 'collection account') until next year, so the Council would have to make a prediction in due course about surplus or deficit

compared to this year. At the moment Districts and Boroughs had paid over the cash amount due to the Council.

14. A Member asked how the Council was planning on designing and paying for the future proofing of children's care homes based on the new social distancing measures in place because of the pandemic. The Cabinet Member for Resources explained that he had discussed this situation with the Cabinet Member for Children, Young People & Families, and the response was that children's care homes were still homes, and as with any other home, outsiders were not allowed in and the inhabitants of the home could be treated as a relatively isolated unit, so there would be no change to children's homes right now. The Director of Finance Insights added that the service was scenario planning.
15. Members agreed that it would be helpful to receive written answers to questions that Members had submitted in advance but not addressed during the meeting.
16. A Member asked what the difference was between the 'forecast cost/loss' column and the 'risk cost/loss' column in a table on page 35 of the report. The Strategic Finance Business Partner said that the forecast was where the financial impact could be quantified with some degree of certainty, but not absolute clarity. The risk, meanwhile, was where it was not certain that there would be a financial impact. Essentially these columns showed the degree of certainty about where these costs would occur. The Cabinet Member added that loss of income included things like school meals payments or registrar fees for weddings, where money would be lost due to the Covid-19 pandemic. The figures put in might have to be adjusted accordingly.
17. In summary, while the service was confident that the cash position in the course of this year (2020/21) would be somewhat stable, uncertainties remained around how much would be reimbursed by government, when the lockdown would be lifted and when schools would reopen, amongst other uncertainties.
18. Cllr Nick Harrison said he was clear on questions one, six and eight of the questions he had submitted in advance of the meeting. The other questions he had submitted were raised in light of how the Council had ended the 2019/20 financial year and about the implications of the 2020/21 year that had just been entered into, dealing not only with Covid-19, but also with business as usual. Cllr Harrison would be happy if the questions could be answered outside this meeting. The Cabinet Member for Resources remarked that this would not be a problem for historic questions; on questions regarding the new financial year and future, the answers would be best estimates.
19. The Strategic Finance Business Partner introduced the Financial Risk and Cost Register. As circulated, this was the 'Delta' return for May to MHCLG, the second of such returns (referred to as 'Delta 2'). There was separate data that compared the May return to the April return. The report contained a summary page setting out the position on the Delta 2 return. Data had been collected across all directorates of the Council, and there were costs of £41.9m and overall risk of £57.4m before efficiencies. Non-delivery of some efficiencies was being forecast. There was a gross pressure of £73.2m in 2020/21. With government spending of £46.1m, there was a net pressure of £27.1m.
20. A Member enquired how many of the efficiencies that had not be achieved were absolutely real, and how many were because resources were not able to implement them. The Cabinet Member said that the Council did not know that at this stage, and were working through it. On top of the year-end closure, they were working on other budgets and the finance staff were working extremely hard at the moment. The next issue would be the updated budget forecast, for which officers would go into services

and start asking questions about spending. This exercise would start sometime between now and the end of June, and hopefully it would clarify reasons behind non-delivery of certain efficiencies.

21. The Executive Director remarked that some of the issues causing delays were around proposals which required consultation, and sectors where there were particular stresses at the moment. For example, current spending around Adult Social Care meant it was difficult to get back to what the budget assumed. Partly because of the fact that funding had been 'drip fed', normal budget rules had not applied because if services were staying within cash limits, they would not be able to respond to emergencies at the moment.
22. The Director of Finance Insights added that services were still aiming to achieve as many efficiency targets as possible and there were still efficiency groups working on cost containment plans. For example, when setting out estimates for spending on Special Educational Needs and Disabilities (SEND), there was a hefty cost containment plan. Alongside urgent work on Covid-19, services were also trying to deliver the budget for 2020/21. She acknowledged that there were difficulties, and that the situation around efficiencies would be refined going forward.
23. A Member asked how much out of the pressures MHCLG would reimburse to the Council. The Cabinet Member replied that this was the next step and was being looked at quarter by quarter.
24. A Member noted that while ASC had £5.2m non-delivery of efficiencies, the Children, Families, Life-Long Learning and Culture directorate (CFLC) had £7.9m non-delivery of efficiencies. He remarked that he would have thought that ASC would be more impacted by Covid-19 of the two and so would have had the higher number, and asked how CFLC was impacted by Covid. The Director of Finance Insights explained that £2m of the CFLC budget was being spent in areas where the line was blurred between what should be Council spending and what should be NHS spending; for example, children with high levels of disabilities and health needs. At the moment these sorts of issues could be a risk because the NHS was focused on the Covid response.
25. The Strategic Finance Business Partner said that the ongoing impact on the Medium Term Financial Plan of non-delivered efficiencies would be reviewed, as efficiency savings were supposed to be permanent savings. It was necessary to understand whether efficiencies were delayed or simply unachievable. The efficiency programme needed to be delivered and proportionate in order to mitigate this possibility and other Covid-19 related pressures (including council tax and business rate reductions).

The Cabinet Member for Resources and Executive Director of Resources left the meeting at 12:00pm.

26. A Member noted that the Council had a strategy on property for sales and providers of new homes. He asked how that programme was progressing and whether the Council was achieving targets and a reduction on running costs, as maintaining properties cost something like £38m per year. The Strategic Finance Business Partner said that he could not answer this question specifically, but that the Council was reviewing the entire capital programme and this would be reported on at the end of June. The review would include the highways and transport capital programme, and the impact of Covid on construction and property schemes. While in the short term the pandemic prevented the Council's ability to sell properties as quickly as they would like, in the long term it presented an opportunity to review the property base, and therefore could be more of an opportunity than a risk.

27. Regarding the External Benchmarking Exercise item, the Strategic Finance Business Partner informed Members that there had been a misunderstanding, and the benchmarking included in the agenda was not external, but rather compared April and May Delta return figures for Surrey County Council. However, the Council was undertaking external benchmarking and the Executive Director of Resources met regularly with colleagues from similar counties. It was worth noting that the April Delta returns showed significant disparities between counties, partly because MHCLG had not offered clear guidance of how to fill out the returns. When Delta returns were compared with external authorities in future, they would be compared like-for-like. Members agreed that the sub-group would be interested in looking more closely at external benchmarking at a future meeting, to compare LAs and develop best practice.
28. A Member enquired what Twelve15 was, as mentioned in the report. The Director of Finance Insights informed Members that Twelve15 was the name of the company that provided school meals.
29. Members and the Deputy Cabinet Member offered their thanks to the officers working in the finance team, who were working hard to benchmark with other LAs at a difficult time when the situation was constantly changing.
30. The Strategic Finance Business Partner said that the finance team found benchmarking conversations very useful, particularly when an LA was a very high or low outlier, which led Surrey County Council to check assumptions on its own returns.
31. A Member said that discrepancies between counties were not absolute and could be affected by aspects such as the size of the county.

The meeting ended at 12:12pm.

<u>Annexe 1: Responses to questions raised in advance of the meeting</u>

Cllr Peter Szanto:

- How can we ensure that poor cost/budget management and non-delivery of savings are not attributed to C19 impacts?

Finance Business Partners support services in correctly classifying budget variances between CV-19 and Business as Usual. These are coordinated and subject to further challenge by Corporate Finance and by CLT.

- What may be the impact on home to school transport costs of social distancing requirements in vehicles?

We funded transport providers at 100% for all routes from the 23rd March until the 3rd of April. We are currently funding our community providers doing work for shielded residents around PPE, Parcel drops etc. For all others, funding has been provided at 50% of normal rates since the 3rd April in an attempt to support them while the majority of routes are not in operation.

However, as schools begin to take more children from 1st June we will continue to provide support where routes are not in operation and are attempting (for the initial 3 year groups returning) to support provision ‘bubbles’ by aiming for 3 pupils per vehicle for SEND.

We are re-introducing full rates for those providers taking the additional children even where vehicles are not full to previous capacity (3 in a bubble).

In the longer term we are still digesting the latest guidance and implications of social distancing on transport provision, but supporting social distancing polices en-mass from September would not be possible with either current budgets or transport capacity.

- What do we think will be the impact on our capital programme and should we reassess some of our proposed projects in the light of radically changed circumstances?

The Capital Programme has been reviewed at M1, which will be reported to Cabinet in June. The expectation is for significant slippage across Property schemes, with less of an impact on Infrastructure. As part of the 2021/22 budget process, all existing business cases will be reviewed to check they still align with corporate priorities. New schemes, and those coming forward from the pipeline will go through the usual process of scrutiny.

- Recent changes to our Fire Services focused more resources into the day for fire prevention activities. Will these be compromised by challenges to visit and inspect locations?

The response to the COVID-19 pandemic, led and coordinated via the Local Resilience Forum, has further confirmed that the principles of the Making Surrey Safer Plan, with its focus upon preventing emergencies and creating community resilience, are the right direction of travel for our communities, particularly those most vulnerable within them.

Throughout the COVID-19 response, Surrey Fire and Rescue Service have continued to deliver high risk Safe and Well Visits for vulnerable people and Business Safety activity in high risk premises, using suitable control measures.

Other lower priority visits, where required, have been undertaken via telephone or other remote means.

Furthermore, Surrey Fire and Rescue Service have continued, wherever possible, to recruit and train new staff and/or staff transitioning into new roles; capitalising on virtual tools to facilitate interviews, assessments, presentations, etc.

The risks associated with COVID-19, with its effects of lockdown and changes to ways of working, have presented an opportunity to review and change the delivery model of our intended prevention (Community Safety) and protection (Business Safety) activity (Community Resilience team).

Our expectations are not to reduce our originally planned outputs and outcomes, but to deliver such in a differing way and with greater collaboration and partnership working that has developed during the COVID-19 response (This in itself is an opportunity presented as a result of COVID-19).

As a result of the initial COVID-19 effect of lockdown, we anticipate an initial impact to the speed of our Initial Operating Model being in place. We are currently finalising the assessment of this impact and when we can expect to ‘catch-up’ with our new delivery model.

The changes to our Community Resilience team and Recruitment/Training of staff are the two key priorities for Surrey Fire and Rescue Service.

- Balance sheet: Is our unsecured Care debt at greater risk? What, if anything, should we do about it?

As at the end of April, Adult Social Care debt was £24.8m (net of the current month's charges). Of this, £10.48m is secured with a legal charge or caution against a property, leaving £14.32m of unsecured debt.

Of the £14.32m, £9.61m is not currently being chased e.g. either because the estate is awaiting probate, there is an instalment plan, a deferred payment application is in progress, an application is pending with the Court of Protection, or is subject to other activity e.g. with Legal Services, the Deputyship Team etc.

The remaining £4.71m is debt that can be progressed through the debt recovery process.

There has been a two-fold increase in deaths of ASC debtors over the last 10 weeks. Delays with probate and administering estates will likely lead to an increase in aged and overall debt. Write offs may increase where remaining estates are insufficient to meet the outstanding debt.

Some Councils are starting to see complaints following deaths in care homes, along with refusals to pay. We do not seek payment from deceased estates until 90 days following death, and have yet to pursue payment from any estates of COVID-19 related deaths in care homes.

Some temporary light-touch measures have been introduced for those who are unable to make payments through traditional means (e.g. by cheque or at a bank / post office).

That notwithstanding, appropriate measures are being taken to secure payment of ASC debts and minimise the risk of non-payment.

- How likely do we think we will be able to recover the forecast extra PPE costs of £7.3M?

Work is underway to collate and analyse the data: the extent to which organisations have received PPE from the purchased stock, to determine a practical and equitable recharge policy and methodology.

We would expect to fund a significant amount of this as it would relate to our provision/care homes we commission. We would not anticipate full recovery but would see it as legitimate to charge to government funding provided.

- How have we estimated the increase in Adult Social care fees post C19 of £10.9M?

The £10.9m is constituted of two parts:

i) £5.8m - payments to support providers through the unwinding process of lockdown, currently assumed to be July – September. This would take the form of increased fees for this period or further additional provider support payments. The basis of the £5.8m is taken from what has already been agreed to be paid to providers during the lockdown period (March – June)

ii) £5.1m – Increased fees after the end of the Covid19 period (after lockdown and unwinding so currently assumed to be October onwards). It is increasingly likely that there will be a need to permanently increase provider care fees by more than has been budgeted for in 2020/21 once service delivery returns to “normal” after the main period of the Covid19 crisis. The £5.1m is the estimated increase for 6 months of 2020/21 following the lockdown and unwinding periods. Currently assumes a 2.5% increase on average.

Cllr Edward Hawkins:

- A major part of our strategy for the next five years is covered by the category of "Big Spend". How are we to finance this spend? To date we have been told that borrowing is not a crime and under control. Looking forward, has this view changed?

The financing of the capital programme remains materially unchanged and a large number of schemes in the programme are designed to contain or reduce costs. Our view of the sustainability of borrowing is currently unchanged but under regular review. Bank of England base rates are at an historic low and forecast to stay that way. Grant income is largely unaffected and there is significant headroom between our expectation of capital receipts and the amount required to fund the capital programme. This will be reviewed, along with all business cases as part of the 2021/22 budget process. We are also in regular contact (6 weekly) with our Treasury advisers as to whether we should invoke any our changes to our borrowing strategy.

- Government has had and is continuing to have to borrow to finance the running of the country. At some stage this needs to be paid back. Are we expecting and creating reserves in the event that we have a negative RSG?

As part of the Fair Funding Review, the government has expressed its intention that the new approach to assessing relative resources will result in no redistribution of council tax resources (the current driver of negative RSG). The government has confirmed that the Fair Funding Review has been delayed due to Coronavirus, and will no longer proceed as planned in 2021.

Overall, negative RSG is deemed unlikely, but modelling future Government support forms a key part of the 2021/22 budget process. The General Fund Reserve has increased by £2.8m at 2019/20 outturn and there is a budget contingency of £32m in 2020/21. However, a permanent reduction in funding would require permanent solutions – reserves can cover timing differences between identifying the problem and putting in place the solution.

- What are the forecasted falls in income?

CFLC £3.8m – Losses of income at Surrey Outdoor Learning; CFLC Training Academy; Therapies Income; Registrars; Libraries; Vulnerable Learners (£1m); Surrey Arts (£0.8m); Adult Learning and Heritage

ASC £1m – Reduction in assessed learning income and unpaid debt (lumped together)

ETI - £2.1m – Losses in environmental planning; highways income (permits, licenses, fees & charges); on-street parking; Highways cycle instructor income

Resources - £4.8m – Twelve15 (£4.032m); losses of income from cancellation of events (weddings, films); and loss of income from charge for procurement framework

CIE - £3.4m – commercial income for forecasted rental income on SCC portfolio (£1.750m); and nil dividend from Halsey Garton.

- What are the criteria for prioritising support to the vulnerable?

The District and Borough Councils have had funding to support homelessness/provide rough sleeping accommodation, plus support to those being shielded. In total, Surrey District and Borough Councils have received £11.9m total of COVID-19 grant funding.

In SCC, we have:

- set up a Resident, Welfare and Volunteering Cell through the LRF (mostly on food distribution and co-ordinating community volunteers);
- set up a payments to providers process, including providing funding to the voluntary sector for extra support to our communities;
- provided advice and information to support businesses.

- Care Homes have been under scrutiny. Are we planning to future proof new children's homes based on the need for social distancing and further virus type instances? – In fact, that question can apply to all our services.

We cannot assume that the current requirements will remain in place indefinitely, but will be reviewing the requirement for longer-term alterations to service provision as part of scenario planning for the 2021/22 budget and MTFS

Cllr Nick Harrison

- Could we have a recap on the contingencies used in the current year, those carried forward into reserves, and new ones included in the 2020/21 budget? It is quite difficult to follow the transfers, as the surplus of only £0.2m is after separately making transfers of £2.5m and £2.6m to a new contingency and reserves? (The £2.5m doesn't seem to be noted in Recommendation 1?)

The 2019/20 Contingency was £10.3m, £1.4m used for timing differences on an ETI saving; underspent by £8.9m – this was added to the 2020/21 contingency.

The contingency for 2020/21 consists of:

- £20.4m base
- £8.9m unused contingency for 2019/20
- £2.5m contribution to next year's contingency as part of outturn
- Total £32m

Plus the £1.4m repayment of ETI savings in funded from contingency in 2019/20.

In terms of General Fund Reserve, as part of Outturn we added £2.8m in total to the Reserve (including £0.2m surplus).

- As we are 107 placements over the SEND reset business case, do we need another reset? What are case numbers planned for 2020/21, and how does it compare to the end of year position? Are we faced with the potential of another £30m overspend, and what actions can be taken?

We are not intending to do another reset as this would not help with monitoring against planned programmes which operate over more than one financial year. It is a combination of placement numbers but also the providers we are using - as the unit costs are a significant driver. The overspend budgeted for is £24m as this is the £29m budgeted in 19/20, less the £5m MTFS saving this year. The actions taken are reported and discussed at the SEND board each month.

- What is the 2020/21 budget for SEND transport and how does compare with the 2019/20 outcome? What actions are being taken?

The budget in 20/21 is £32.4m for SEND transport. The overspend in 19/20 was £2.9m in this area, however as a result of school closures we are currently forecasting that costs will reduce by between £3m - £6m depending on when schools return. The implications of social distancing guidance is being worked through as this may have cost impacts.

- School DSG – What happens to the £22.4 overspend? Are we seeking refund from Government? Will the balance be added to the monies already due from Government? Are we reserving for non-collection? What does this tell us about the budget position for 2020/21?

Government guidance is that any overspends in the DSG must be managed within the DSG, with specific restrictions on funding through other means. The Council has looked to do this in the past through things such as a transfer from the schools block to the high needs block, but this was rejected by the Secretary of State for 2020/21. Previously there has been a requirement for Councils with a DSG deficit over 1% of annual DSG funding to submit a deficit recovery plan. SCC would now fall into that category but we are awaiting confirmation from the DfE of its requirements as we understand it is changing from the previous process.

- What is the position with Adult Care packages – the outturn was £5.9m savings underachieved. What are the case numbers at the end of the year, and currently (with COVID – 19) and the original budgeted cases numbers?

Client Group	March 2020 volumes (as at 31st March)	April 2020 volumes (as at 30th April)	Average volumes 2020/21 used for budget setting
Older People	6,166	5,867	6,192

Physical & Sensory Disabilities 25+	1,701	1,683	1,726
Learning Disabilities 25+	3,011	3,146	3,216
Transition 18-24 clients	613	484	632
Mental Health	429	445	417
Total excluding Carers	**11,920**	**11,625**	**12,183**

*All new Hospital Discharges are currently the financial responsibility of the NHS and so not recorded within these figures. There have also been a higher than average number of deaths in April.

There has been a significant fall in the numbers of older people in receipt of ASC, but we are still seeing growth in other client groups. The figures used for the budget are the average across the year and so we would expect to see that level of user number in September, and then reducing even further to March 21.

ASC are assessing the situation but would hope to stay within budget and are reporting as such at this time. It may still prove a struggle to achieve budgeted savings in other client groups apart from OP as the service will not have been able to work full time on achieving them during Covid19 and indeed some are not achievable during Covid19 for example where they involve the Accommodation with Care and Support Strategy that relies on moving individuals into Independent Living Accommodation.

- What are the problems with the monitoring and recording case system for children social care?

From a financial perspective the main issue is the lack of integration with the ledger system. A business case for the increased use of Controcc has been produced which will improve this process (as already used in Adults). If completed, this integration will allow increased and timely analysis of data to support monitoring and forecasting.

- Non delivery of efficiencies – Have the non-delivery of savings (both not identified and policy changes) been factored back into increases in the services 2020/21 budget? What are the yet to be identified savings in the 2020/21 budget?

Where efficiencies have not been delivered in 2019/20, the assumption is that those efficiencies, or compensating measures, will need to be implemented in 2020/21. A review of the efficiency programme is under way to encompass the outturn position and the impact of COVID-19. Any variances and mitigating actions will also be highlighted in monthly monitoring.

- Please explain the inventory of accounting transactions write-offs (£1.5m)

We have reviewed historic balances on an invoicing control account, where we no longer expect to be invoiced for £1.5m of supplies dating back to 2014/15 and 2015/16.