MUNICIPAL YEAR 2019/20 – REPORT NO. 39

MEETING TITLE AND DATE **Cabinet: 17 July 2019** **REPORT OF:** **Acting Executive Director of Resources** Contact Officers: Matt Bowmer 020 8379 5580	**AGENDA PART 1 ITEM: 4** **SUBJECT - REVENUE OUTTURN 2018/19** **Wards: All Wards** **Key Decision No: 4925** **Cabinet Member consulted:** **Cllr Maguire**

1. EXECUTIVE SUMMARY

1.1 This report sets out the outturn position for 2018/19 for:

General Fund Revenue Account:

- Service Budgets overspent by £13.4m, this was offset by a £9m underspend in contingency and treasury budgets and £1.2m additional government grants to give a net overspend of £3.2m. (Section 4.1)
- A drawdown of £3.2m from reserves was made to achieve a balanced position. (Section 4.4)
- The flexibility to apply capital receipts to fund transformation expenditure was again used, with £3.7m of capital receipts applied (Section 4.2)

Housing Revenue Fund Account (HRA)

- £2.4m overspend has been met from HRA balances (Section 4.3)

Dedicated Schools Grant (DSG) funded expenditure

- the DSG had a brought forward deficit of £0.7m from 2018/19 but this moved to a surplus of £1.1m by 31st March 2019 due to in year underspends (Section 4.1.8)

Collection Fund balance at year end

- details of the achievement of Council Tax and Business Rates income are set out in Section 4.5.

1.2 The report also provides information on the Council’s current level of useable reserves and balances. Non-ring-fenced General Fund Earmarked Reserves have increased from £56.3m to £59.5m (excluding the Minimum Revenue Provision) during 2018/19. This is due to planned contributions to risk and smoothing reserves, whilst service specific reserves have reduced. (Section 4.4) In addition, General Fund Balances have remained unchanged at £14m. (Section 4.6).

2 RECOMMENDATIONS

It is recommended that Cabinet:

2.1 Notes the General Fund, Housing Revenue Account (HRA) and DSG revenue outturn for 2018/19.

3. INTRODUCTION

3.1 Enfield's 2018/19 Budget and Medium Term Financial Plan (MTFP) required the delivery of £8.6m savings in response to a further reduction in core government funding and inflationary, demographic and service cost pressures. Furthermore, for 2018/19, an ambitious capital programme was set in order to deliver the Council's regeneration and investment priorities.

3.2 This report sets out the overall General Fund Revenue; Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) outturn for 2018/19, with details of variations provided in Appendices A to E (General Fund) and Appendix G (HRA). The report also provides a summary of the end of year reserves and balances position, which are set out in detail in Appendix H. Use of capital receipts to fund transformation expenditure is summarised in Appendix F.

4. 2018/19 REVENUE OUTTURN POSITION

4.1 GENERAL FUND OUTTURN

4.1.1 The final outturn position is set out in Table 1 below. It provides a comparison between the latest budget and final outturn. It should be noted that there was a £13.4m adverse variance against service budgets, which was partially offset by favourable variances in Corporate budgets, £9.0m and government grant income, £1.2m, requiring a drawdown from reserves of £3.2m to balance outturn.

4.1.2 The revenue budget forecast position as at 31st December 2018, reported to Cabinet in February (KD4764), projected an adverse variance of £4.1m; the net outturn position of £4.4m overspend represents an overall increase of £0.3m over this projection. In summary, an increase of £0.5m in adverse service budget variances were partially offset by an increase of £0.2m in favourable variances in corporate budgets (mainly contingency and interest payments).

Table 1: General Fund Revenue Outturn 2018/19

	Budget £m's	Net Spend £m's	Outturn Variance £m's
Chief Executive	9.4	8.9	(0.5)
People	117.4	124.8	7.4
Place	29.5	32.7	3.2
Resources	39.1	42.4	3.3
Service Net Costs	**195.4**	**208.8**	**13.4**
Corporate Expenses	32.5	23.5	(9.0)
Net Expenditure	**227.9**	**232.3**	**4.4**
Expenditure financed by:			
Business Rates	(98.4)	(98.4)	0.0
Collection Fund	(4.2)	(4.2)	0.0
Other non-ring-fenced Government Grants	(4.2)	(5.4)	(1.2)
Council Tax	(121.1)	(121.1)	0.0
Reserves	0.0	(3.2)	(3.2)
General Fund Corporate Financing	**(227.9)**	**(232.3)**	**(4.4)**

Budgets shown in Table 1 are controllable departmental budgets excluding capital and asset impairment charges, which are not directly controlled by departments.

A more detailed explanation of significant budget variations is included in Appendices A to E and these are summarised by department below:

4.1.3 **Chief Executive's (Appendix A)**
Chief Executive's service reported a favourable variance of £0.5m (budget of £9.4m), due to restrictions imposed on discretionary expenditure across the department and the decision to fund CCTV equipment from capital resulted in a saving of £0.3m. Other favourable variances have resulted from planned reductions in Audit contract costs and efficiencies gained through increased focus on digital communications. These have offset overspends in electoral services and land charges, details of which are provided in Appendix A. The pressure in the land charges income has been resolved through an addition of £0.2m included in the 2019/20 Medium Term Financial Plan.

4.1.4 **People (Appendix B)**
The department's outturn is a £7.4m overspend (budget of £117.4m). The main variations are as follows:

Adult Social Care (ASC)
£4.4m of the overspend relates to Adult Social Care. The increased overspend since the Quarter 3 outturn projection is due to the increase of £1.5m paid for the management fee to the Council's wholly owned company Independence and Wellbeing Enfield Ltd (IWE). This potential overspend was highlighted in the Q3 forecast but there was not sufficient information at the time to build the impact into the 2019/20 budget. Therefore, this pressure will need to be managed during 2019/20 and form part of the formulation of the 2020/21 to 2024/25 MTFP. Other services areas have largely remained static over the course of the year and although substantial savings have been made in year, the demand for services continues to rise due to demographic pressures in Learning Disabilities and Older People and People with Physical Disabilities (Customer Pathway) and in recognition of this on going pressure

£3.8m and £2.2m have been included in the 2019/20 budget to reflect demographic and inflationary pressures in Adult Social Care respectively.

The Department of Health announced £240m of additional Winter Pressures grant for councils to spend on adult social care services to help alleviate winter pressures on the NHS, enabling patients to return home more quickly and freeing up hospital beds across England. Enfield's share of this additional funding was £1.3m and following consultation with the CCG it was agreed that the Council would retain the funding in full for 2018/19; this has therefore contributed to managing the pressure within Adult Social Care.

Housing Related Support

The Housing Related Support schemes (Supporting People) budget was overspent by £0.9m and has seen a small improvement since the Q3 position. This was a result of the accumulated pressures created by delays in decommissioning and recommissioning of Housing related support contracts which only came into effect part way through 2018/19 and difficulties in identifying a provider during the tender exercise for the floating support service. Following the Pressures Challenge Board review of Housing Related Support £0.25m has been allocated to mitigate the pressure in 2018/19 and will then be resolved in 2019/20 through the MTFP.

Education, Children's and Families

Children's and Families services outturn is a £3.0m overspend. The most significant variance relates to £2.2m pressure relating to SEN Transport. Management actions delivered have helped stem the continued growth in expenditure. In recognition of the ongoing nature of this cost pressure £2.0m has been included in the 2019/20 budget.

The continued demand in No Recourse to Public Funds cases has meant an outturn overspend of £0.4m because savings included in the MTFP reflected the expectation that costs would decrease following management actions that were implemented. An increase of £0.5m has been included in the 2019/20 budget to reflect this pressure. Additional income targets for Schools Traded Services were unachievable resulting in a £0.7m shortfall in income and there are plans to manage this in 2019/20 however, in recognition that some of the pressure could not be managed £0.1m has been included in the 2019/20 budget to reduce this pressure.

In addition, demand in Special Guardianship Allowances (SGA) continued to grow and despite allocating additional budget in 2018/19 the outturn still exceeded the budget available by £0.2m. An increase in demand for external child care placements has increased cost by a further £0.9m and additional demand experience in the last quarter of the year for the leaving care services resulted in an overspend of £0.2m. To reflect these pressures and allowing for demographic growth, £0.7m for SGA's, £1.0m for external child care placements and £0.3m for leaving care have been included in the 2019/20 budget.

The impact of these pressures is mitigated because of favourable variances in services such as community safety, Section 17, adoption allowances, unaccompanied asylum-seeking children (UASC) and youth offending unit budgets.

A cost of £0.4m relating to the Edge of Care transformation project which commissioned a Family Breakdown prevention team to reduce the short and long-term costs of Looked After Children provision has been funded through the flexible use of capital receipts.

Further details of People outturn variations are provided in Appendix B.

4.1.5 **Place (Appendix C)**

The Place department's outturn is an overspend position of £3.2m (budget of £29.5m) with the most significant pressures being reported in Property Services (£3.1m) and the costs arising from dealing with trespass and enforcement actions on Council land (£0.6m). The Property related variances are mainly due to unrealised income generation where assumptions around the success of income generating schemes such as the Bunding initiative and the renting out of office space in the Civic Centre did not materialised as originally budgeted for, creating a pressure in 2018/19 of approximately £2.1m. Further savings proposals such as the disposal of Gentleman's Row and alternative use of corporate buildings have not been implemented. The historic issues in the Property budget were discussed and evaluated through the Pressures Challenge Board that were held during 2018/19 and as such £2.3m has been included in the 2019/20 in recognition of these pressures.

Since Q3 the most significant movement has been experienced in the cost of vacant sites and assets on the disposal programme. The vacant sites outturn was £0.4m and relate to security costs on sites such as Montagu Estate where the costs had previously been capitalised and a change in accounting treatment for reporting the cost of the disposal programme in year which results in a pressure in 2018/19, though this is under review for future years. These have however been offset by the improved position in the commercial property portfolio, and Corporate Maintenance & Construction Services.

Both Environment & Operational services and Regeneration services have ended the year with favourable variances of £0.2m each. Included in the Environment & Operational services outturn is the EDGE Transport transformation contract which has been funded by the flexible use of capital receipts.

Further details are provided in Appendix C.

4.1.6 **Resources (Appendix D)**

The Resources department's outturn is an overspend of £3.3m (budget £39.1m) after £3.0m flexible use of capital receipts has been applied to fund transformational related expenditure in support IT services, Transformation and Procurement.

Demand for services has continued to increase and has impacted on services such as income collection, financial assessments and deputyship and accounts for a £1.0m of the overspend. In recognition of the ongoing nature of some of these cost pressures £0.9m has been included in the 2019/20 budget.

Other significant overspends included; a £0.8m overspend in IT because of ongoing cost of annual maintenance and licences for systems implemented as part of the capital programme. Action is being taken to reduce these costs during 2019/20 through rationalisation of the number of our ICT applications.

Another key reason for the budget variance related to unrealised budget savings and income targets agreed through the MTFP that could not be delivered. These have contributed to the overspends experienced in the IT, Procurement and Leisure & Culture services. Management action is underway to address these pressures during 2019/20.
However, it should be noted that the IT outturn position has improved from Q3 as a result of historic work programmes coming to an end, improved controls and savings achieved through supplier negotiations.
Further details are provided in Appendix D.

4.1.7 **Corporate Expenses (Appendix E)**
A favourable outturn variation of £9m was in line with the Q3 forecast, showing an increased underspend of £0.5m. The variation was mainly due to an underspend of £4.9m in treasury budgets due to lower interest rates and capitalisation of interest charges on borrowing for the Meridian Water project; £1.3m in Minimum Revenue Provision (MRP) and £2.5m in contingency budgets. As part of the 2019/20 budget process the treasury budget was reviewed and an interest saving was proposed, therefore, this underspend is not anticipated to continue into 2019/20.

4.1.8 **Dedicated Schools Grant**
The Dedicated Schools Grant (DSG) for 2018/19 totalled £223.86m (after academy recoupment). DSG is a ring-fenced grant, the majority of which is delegated to schools, as Individual Schools' Budgets. It also funds Early Years, High Needs provision and certain central education services provided by the Council such as admissions. Any balance remaining from the DSG at year end is carried forward in the DSG reserve.

The balance on the DSG reserve as at 31 March 2018 was a deficit of £0.74m. A clawback of 2017/18 Early Years Block funding of £0.74m in July 2018 increased the net deficit position on the reserve to £1.48m. During 2018/19 there were underspends on the Schools Block (£1.32m), Early Years Block (£0.41m) and High Needs Block (£0.84m) resulting in a total net underspend of £2.57m and a cumulative surplus of £1.09m on the reserve at 31st March 2019. This represents an overall improvement in the DSG position of £1.83m. It should be noted, however, that funding for outstanding 2018/19 recoupment and early years adjustments will be drawn down in 2019/20 (£0.72m) which will reduce the surplus to a net balance of £0.38m.

4.2 **Flexible Use of Capital Receipts (Appendix F)**

4.2.1 With effect from 2016/17 the Government provided a general capitalisation directive to all councils, giving them the option to utilise new capital receipts in 2016/17, 2017/18 and 2018/19. These receipts can be used to finance projects that are designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public-sector delivery partners. In the Provisional Local Government Financial Settlement of December 2017, the Government extended this flexibility for the three subsequent financial years, from 2019/20 to 2021/22.

4.2.2 Enfield has chosen to use this flexibility to fund a number of transformation projects in the last three years, with £9.9m applied in 2016/17, £6.7m in 2017/18 and £3.7m in 2018/19 as detailed in Appendix F. The flexibility was used to fund transformational projects in Adult Social Care, Children's Services, IT and Procurement, with outcomes anticipated to produce future savings and/or provide improvements in service provision. It is planned to use this flexibility again in 2019/20 to fund a reduced number of transformation projects, however in the medium to long term alternative funding would be needed to fund any further projects, as capital receipts may not be available, and this flexibility will no longer be available after 2021/22. As set out in section 4.4 below, an "Invest to Save" transformation reserve has been created as part of the outturn for future projects.

4.2.3 The impact of using capital receipts to fund revenue transformation projects is that these receipts are not available to fund the council's capital programme and, therefore, increase the council's borrowing requirements. On the basis of the current capital programme, if the capital receipts were to be applied to fund capital expenditure, this would have the estimated impact of reducing the annual minimum revenue provision in future years by £0.08m for each £1m of applied capital receipts.

4.3 HOUSING REVENUE ACCOUNT OUTTURN (Appendix G)

4.3.1 This year Enfield has continued to work closely with London Councils and the London Fire Brigade (LFB) to ensure minimal fire risk to the residents in the borough. Fire prevention works have been carried out within the repairs and neighbourhood teams.

4.3.2 Following the Welfare Reform and Work Bill in 2015 the council are required by law to reduce rents by 1% per annum for four years commencing in 2016/17, after this period the Government has announced that rents will increase by CPI +1%.

4.3.3 The February Cabinet report projected an HRA overspend of £0.02m as at the end of December 2018. The end of year position has changed to a £2.39m overspend, which has been met by a drawdown of balances, reducing the HRA balance from £7.0m as at 31st March 2018 to £4.6m as at 31st March 2019.

4.3.4 The HRA overspend was mainly due to an increase in insurance provision (£0.78m) which was not anticipated as the data was not finalised until the end of the financial year, salary overspends (£0.80m) due to agency staff covering permanent roles and additional consultancy costs, and loss of income from dwellings, garages and shops (£0.65m). The recharges from the General Fund were mainly on budget with fleet services showing the biggest variation to budget (£0.09m overspend). (see Appendix G for details)

4.3.5 Housing Revenue Account Reserves have decreased by £1.5m from £13.6m to £12.1m, this being mainly due to a higher contribution from the HRA Capital Reserve to fund the estate regeneration capital programme

4.4 Earmarked Reserves (Appendix H)

4.4.1 Details of total reserves as at 31st March 2019 are set out in Appendix H, which includes HRA revenue reserves and ring-fenced general fund grant reserves (Public Health, S106 and DSG). Details of movements in these areas are as follows:

4.4.2 General Fund Reserves

The overall level of General Fund earmarked reserves at 31st March 2019 has increased by £3.2m from £56.3m to £59.5m, excluding the Minimum Revenue Provision Equalisation reserve which has been ring-fenced for future commitments (in year movement of £7.4m in this reserve - see note below). This also excludes ring-fenced grant reserves such as Public Health and Dedicated Schools Grant reserves. The movement of £3.2m results from an overall £4.9m reduction in Service Project/Programme reserves and an increase of £8.1m in Risk and Smoothing reserves, after the application of £3.2m to balance outturn. The reduction in project reserves is mainly due to the planned drawdown of £5.2m from the vehicle replacement fund which contributes to the four-year capital programme of vehicle replacement. The main contributions to the risk and smoothing reserves in 2018/19 were as follows, and these were offset by a drawdown of £1m from the risk reserve:

- **Collection Fund Equalisation Reserve**: **£4.5m**

  The Collection Fund records the Council's receipts of council tax and business rates. This reserve was created in 2017/18 in order to smooth volatility in business rates receipts mainly due to the difficulty in predicting the quantity and outcome of appeals and other changes in the tax base, which can result in large fluctuations in income. If we do not achieve the budgeted business rate growth, the reserve can be used to offset the deficit in 2019/20 or future years. This will become increasingly important as local government move to the new funding model from 2020/21 when Revenue Support Grant (RSG) is replaced by 75% retention of business rates. A business rate reset is also planned for 2020/21 which may cause volatility. For 2018/19 Enfield participated in the London Pilot Pool which retained 100% of business rates in place of RSG and Enfield has benefited from a net share of £4.7m from the growth within the pool which is reflected in the transfer to the reserve.

- **Invest to Save Reserve £2m**

  As noted above in 4.2.2 this reserve will be used to fund invest to save projects in place of the flexible use of capital receipts which is time limited (currently expected to end in 2021/22).

- **North London Waste Reserve £1m**

  Within the MTFP an additional £1.0m has been added each year to cover the estimated cost of the North London Heat and Power Project (NLHPP). This project will build a new Energy Recovery Facility in Edmonton, replacing the existing Energy from Waste plant at the EcoPark that has served North London for around 50 years but is coming to the end of its operational life. The estimated cost of building this new facility will significantly increase the Council's North London Waste Authority levy requirement and with all major construction projects comes with significant risks. Whilst the provision in the MTFP aims to meet these increased costs, as with all major projects there is a risk that estimated costs could rise further in the future. This reserve has therefore been established to smooth the increase in levy requirements over the life of the project. The budget will increase by £1.0m as per the MFTP. Based on forecasts provided by the NLWA it is estimated that in some years the budget will exceed the actual cost and as such the any balance will be transferred to the reserve, where it will be held to support years where the actual costs exceed the annual budget.

- **Housing Benefits Smoothing Reserve £1.8m**
  This reserve was created in 2018/19 to smooth expenditure and income related to Housing Benefits which can show considerable year on year variations against budget.

- **Minimum Revenue Provision (MRP) Equalisation Reserve**
  MRP is the annual provision that the Council has to set aside from revenue in order to meet the repayment of the principal element of borrowing. This reserve was created in 2017/18 following a change in our MRP policy which resulted in a reduced requirement to contribute to the provision over the medium term. This will reverse in future years and the reserve is ring-fenced to smooth large fluctuations in future requirements in one year. In 2018/19 an additional £9.1m was transferred to the reserve as a result of the reduced in year requirement. There was a drawdown against this reserve of £1.7m at year end to offset the revenue cost arising from the implementation of a new accounting standard (IFRS9) which introduced a requirement to assess the fair value through profit and loss of the council's loans to subsidiaries.

4.4.5 The 2019/20 budget strategy aimed to put the budget on a more sustainable and resilient footing by addressing ongoing service pressures. Despite this, key areas of risk remain in the medium term, notably the general economic uncertainty, including continued uncertainty around Brexit, together with demographic and cost pressures within the revenue budget and uncertainty over future funding for local government. Robust reserves will help us to manage these revenue pressures in the medium term and to counter the inherent risks associated with an ambitious capital programme.

4.5 Collection Fund

4.5.1 The Collection Fund covers both council tax and business rates. The Collection Fund recorded the following performance in 2018/19:

- A total council tax surplus balance on the fund of £2.300m at 31 March 2019 (Enfield's share is 81.3%, £1.870m). The surplus is due to collection levels exceeding budgeted targets over the last two years.
- A total business rate deficit balance of £7.444m (Enfield's share is £2.806m based on the national share of 30% of the deficit up to 31 March 2018 and 64% of the 2018/19 deficit). A prudent provision for business rates appeals has created a deficit in this year's accounts.

Enfield's share of the Collection Fund balances is as follows:

Table 2: Enfield Collection Fund Balances	**Council Tax £'000**	**Business Rates £'000**	**Total £'000**
Balance at 1 April 2018	(4,543)	1,590	(2,953)
In Year Movement	2,673	1,216	3,889
Balance at 31 March 2019	**(1,870)**	**2,806**	**936**

4.5.2 2018/19 was the first year of the London Business Rates Pool pilot scheme. The net benefit to Enfield is £4.7m which has been recognised in full in the 2018/19 revenue outturn and transferred to the Collection Fund Reserve. The Collection Fund Reserve was created to smooth any volatility (deficit) in future years local tax income. The reserve can be used to offset any shortfall in future tax income.

4.6 General Fund Balance

4.6.1 The level of the General Fund balances at 31 March 2019 was unchanged at £14m. This level of balances excludes the amount attributable to schools' delegated budgets and is in line with the assumptions included in the Budget 2019/20 and Medium-Term Financial Plan report considered by Council in February 2019.

4.6.2 School revenue balances reduced from £2.5m at 31st March 2018 to £0.8m at 31st March 2019. The large reduction reflects the number of schools in deficit plus academy conversions where the balances no longer sit with the Council. The balances retained by individual schools reflect their decisions in the use of their resources. School balances are reported separately to other General Fund balances as they are held for specific school purposes and they are monitored in detail by the Schools Forum.

4.7 **Statement of Accounts**

4.7.1 The draft statements were certified by the Executive Director of Resources and shared with BDO (External Auditors) at the end of May, in accordance with the new statutory deadline. The draft accounts went to Audit and Risk Committee on 19th June and the final accounts are due to be presented to the Committee on 25th July 2019.

4.8 **2019/20 and Medium Term Financial Plan**

4.8.1 The 2018/19 outturn position will need to be considered alongside the 2019/20 budget position and Medium Term Financial Plan (MTFP). Key areas for consideration are:

- Unrealised savings pressures brought forward
- Consideration of the sustainability of capital receipts for transformation purposes and other one-off sources of funding
- Budget pressures across demand led services, some of which have been offset by the one-off use of grant (e.g. flexible homelessness grant)

4.8.2 Many of the pressures identified during 2018/19 have been built into the 2019/20 budget or are being considered when setting the 2020/21 budget. The report of the Director of Finance “Medium Term Financial Strategy 2020/21 to 2024/25” which is also on this agenda considers these issues in more detail.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Not relevant in the context of this report.

6. REASONS FOR RECOMMENDATIONS

6.1 To ensure that members are aware of the outturn position for the authority including all major variances which have contributed to the outturn position.

7. COMMENTS OF THE EXECUTIVE DIRECTOR OF RESOURCES AND OTHER DEPARTMENTS

7.1 Legal implications

The Council has duties within an existing legal framework to arrange for the proper administration of its financial affairs. The recommendations in this report will support the Council in meeting its statutory obligations.

7.2 Financial Implications

Financial implications are implicit in the body of the report. The variances and risks identified through the closure of accounts will be taken into account in the financial monitoring process for 2019/20

7.3 Key Risks

The budget risks during 2018/19 were managed through detailed revenue monitoring reports provided regularly to Cabinet. Departments took action to minimise budget pressures and align departmental spend to budget. Some of these pressures will also affect 2019/20 and many have been reflected in the 2019/20 budget by increasing budgets in areas with uncontrollable pressures. Where it was considered that pressures could be managed back into budget action plans have been drawn up to enable services to contain current year spending pressures.

There are also new and emerging risks to the budget which will need to be managed and the Budget Challenge board will continue to monitor progress in containing overspends relating to existing and emerging pressures during 2019/20

8. EQUALITIES IMPACT IMPLICATIONS

8.1 The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

8.2 Financial reporting and planning is important in ensuring resources are used to deliver equitable services to all members of the community.

9. PERFORMANCE MANAGEMENT IMPLICATIONS

9.1 The report provides clear evidence of sound financial management and efficient use of resources.

10. IMPACT ON COUNCIL PRIORITIES

The recommendations in the report fully accord with the Council priorities:

Good homes in well-connected neighbourhoods
Sustain strong and healthy communities
Build our local economy to create a thriving place

11. PUBLIC HEALTH IMPLICATIONS

11.1 None in the context of this report

Background Papers: None

Chief Executive's	**Net Budget Q3 Variation (£'000)**	**Net Budget Outturn Variation (£'000)**	**Change (£'000)**
The department is currently projecting a saving of £300k achieved by changing the funding arrangements from revenue to capital for CCTV replacement programme. The movement since Q3 is due to controls imposed on planned commitments.	(300)	(432)	(132)
Agency Rebate: The forecast value of rebate has reduced in line with reductions in agency staff because of the drive across the Council to reduce the number of temporary staff.	141	179	38
Electoral Services: Overspend relates to the cost of May local elections which exceeded the balance held in the elections reserve.	82	133	51
Land charges: The income target for land charges is currently projecting a shortfall just as experienced during 2017/18 with further declines in the market being exhibited.	216	241	25
Internal Audit: The underspend is due to planned reductions in Audit contract costs; securing additional funding for Fraud Prevention and additional salary underspends achieved through the shared service arrangement.	(59)	(245)	(186)
Communications: An underspend was generated due to delays in delivery of some campaigns and efficiencies through an increased focus on digital communications with a channel shift policy adopted in advance of budget reductions planned for 2019/20.	0	(49)	(49)
Organisational Development: Savings achieved on discretionary training spend and grant funding secured.	(31)	(164)	(133)
Other Minor variances: Additional savings mostly due to VCS payments funded by reserves	(76)	(168)	(90)
Chief Executive Total	**(27)**	**(505)**	**(476)**

Appendix B

People	Net Budget Q3 Variation (£'000)	Net Budget Outturn Variation (£'000)	Change (£'000)
Adult Social Care			
Strategy & Resources: These services include, transport, grants to voluntary organisations, Safe and Connected, Safeguarding and Service Development. The underspend is within Safeguarding Adults. and the expenditure on safeguarding adults reviews, which is undertaken by external experts varies depending upon the number of reviews.	(86)	(81)	5
Mental Health: The overspend in Mental Health services is due to increased demand for care packages.	322	313	(9)
Learning Disabilities: The overspend relates to demand led services. There were also 30 transition cases in 2018/19. Substantial savings have been made in year however, demand for services continues to rise as a result of demographics**.**	720	719	(1)
Older People and Physical Disabilities (the Customer Pathway): The service care purchasing overspends are due to pressures in demand led residential and community based services. Substantial savings have been made in year however, demand for services continues to rise because of demographics.	2,340	2,334	(6)
Winter Pressures Grant 2018/19: The Department of Health provided £240m of additional Winter funding for councils to spend on adult social care services to help alleviate winter pressures on the NHS, enabling patients to return home more quickly and freeing up hospital beds across England. The relevant expenditure is reflected in the Older People and Physical Disabilities forecast overspend above.	(1,298)	(1,298)	0
IWE/Bridgewood: This includes the management fee to IWE plus client income at Bridgewood House. The Q3 monitor reported that IWE were experiencing significant cost pressures not reflected in the monitor, the final outturn resulted in an addition of £1.5m being required for the management fee.	0	1,520	1,520
Public Health Grant: The Departmental outturn also includes the ringfenced Public Health Grant. Though outturn reflects a neutral variance, in fact there was an underspend of £0.7m, primarily resulting from commissioning demand led services e.g. sexual health and drug & alcohol services (£0.5m) and staff vacancies across the service (£0.2m) and this was added to the Public Health Earmarked Reserve which now has a carried forward balance of £2.046m.	0	0	0
Other minor variances	(21)	(25)	(4)
Housing Related Support: The overspend is a result of difficulties in identifying a provider during the tender exercise for the floating support service, however, additional savings were achieved during Q4.	945	892	(53)
Adult Social Care & Public Health	2,922	4,374	1,452

People (cont.)	Net Budget Q3 Variation (£'000)	Net Budget Outturn Variation (£'000)	Change (£'000)
Education			
SEN Transport: Increased demand for transport provision continues in 2018/19 and savings agreed within the Medium Term Plan have not been achieved or where savings have materialised these have only resulted in stemming the growth in expenditure. The latest projection for 2018/19 is based on current pupil numbers/routes. The position may change in the following quarter due to pupil transition/new starters, but additional costs should be offset by re-routing efficiencies. Due to timing of this report it should be noted that the forecast does not take into account a recent provider failure.	2,132	2,168	36
Schools Traded Services: Overspend is due to setting income targets that have proved to be unachievable. This includes £230k from 2017/18 and a further £500k from 2018/19.	730	730	0
Joint Venture Cleaning Contract: Overspend due to reduced profit share income and staffing cost.	52	61	9
SEN Service: Vacancies due to delay in filling posts	0	(43)	(43)
School Improvement Service: Net underspend due to additional grant funding, additional traded income and staff vacancies	0	(70)	(70)
Historic Enhanced Pensions: Underspend due to a net reduction in monthly costs	0	(40)	(40)
Other Minor Variances	0	(30)	(30)
Children & Families			
No Recourse to Public Funds (NRPF): The service has committed to an invest to save model, funding both a fraud officer and an immigration officer to reduce the number of presentations and aid speedier Home Office decisions. Even though the work of the fraud officer and immigration officer is starting to show through a reduction in the numbers of new cases, and there are some families that have had their final immigration status confirmed, there remains insufficient funding within the budget to meet demand.	445	435	(10)
Special Guardianship Allowances: despite increasing budget in 2018/19 continued demand has resulted in a forecast overspend. Variation to Q3 is due to delays in the final court orders being granted.	292	240	(52)

People (cont.)	Net Budget Q3 Variation (£'000)	Net Budget Outturn Variation (£'000)	Change (£'000)
External Child Care Placements: The area is overspent due to the high cost of Agency Fostering, Community Homes, and Secure Remand placements. Variation to Q3 is due to the new placements in Community Homes and Semi-Independent accommodation, high cost of Crisis Intervention placement, mother & baby mental health assessment, three new secure remand placements and delays in court dates.	497	880	383
Prevention of Care Section 17: The underspend is related to the reduced number of families requiring social care support around housing. Variation to Q3 is due to delays in recruitment (payment by results to the recruitment agency).	(100)	(153)	(53)
Adoption Allowances: underspend due to fewer adoptive parents meeting the criteria for adoption allowances this year. Variation to Q3 is due to reduction in inter-agency fees because of the delays in the final court orders.	(218)	(302)	(84)
Youth Offending Unit (YOU): The underspend due to the difficulty in the recruitment of staff, staff leaving and a contract not starting. Posts which had expected to have been filled had funding profiled against them that has not been used. Additionally, due to the budget for sessional workers in the YOU being reduced from 2019 by £20k (and £20k the following year) YOU staff have started to reduce spend in that area to prepare for that budget reduction. Variation to Q3 is primarily due to reduced staffing costs as there were delays in permanent and agency posts starting and some staff left e.g. Head of YOU. In addition, some key pieces of work and training that had been booked such as a mock inspection could not happen when booked and had to be move to the next financial year.	(304)	(386)	(82)
People's Services Business Support: The underspend is due to the vacant posts including the Head of YFSS which has been offered for savings in 2019/20.	(150)	(167)	(17)
Community Safety: The underspend is a result of a vacant post and a historical goods receipt reversal. Variation to Q3 is due to capitalisation of planned expenditure, utilising reserves for the domestic violence project and extra income generation for CCTV cameras support.	(71)	(221)	(150)
In House Fostering: Enfield ended the automatic fee reduction for the second and subsequent child placed with in-house fostering families to boost the Council's recruitment and retention of its own foster carers. It is expected that the number of children who need to be placed in costly independent fostering agency placements will decrease. However, it might take several years for the effect to take place. Variation to Q3 is due to the overspend being funded corporately in-line with the Delegated Authority Report.	111	1	(110)

People (cont.)	**Net Budget Q3 Variation (£'000)**	**Net Budget Outturn Variation (£'000)**	**Change (£'000)**
Edge of Care: This is a transformation project to commission a Family Breakdown prevention team to reduce the short and long-term costs of Looked After Children provision.	0	0	0
UASC: The eligible expenditure for 2018/19 is greater than originally estimated and as such this is matched by the Home Office grant resulting in underspend against the general fund budget.	(263)	(217)	46
Controlling Migration Fund: The underspend hasn't been carried forward as originally planned.	0	(83)	(83)
Children In Need – Social Work Teams: Overspend due to a high level of extra hours in EDT and agency cover.	36	69	33
Safeguarding & Quality Assurance: Overspend due to PRP, vacancy factor and agency staff.	44	57	13
Leaving Care: There is a shortage of semi-independent accommodation which means clients are unable to be moved from their expensive residential placements. Also, in 2018/19 fifty six seventeen year olds were added to the Leaving Care budget. Variation to Q3: Eleven new clients were added in Q4. These young people came into care at seventeen and therefore would not have been reflected in the Looked after Children or Care Purchasing client log.	(100)	147	247
Pre-school Support for Disabled Children: Variance is due to vacancy and one-off underspend on operational budget.	0	(81)	(81)
Other Minor Variances	(93)	(26)	67
Education	**2,914**	**2,776**	**(138)**
Children's and Families Services	**126**	**193**	**67**
People Department Total	**5,962**	**7,343**	**1,381**

Place	**Net Budget Q3 Variation (£'000)**	**Net Budget Outturn Variation (£'000)**	**Change (£'000)**
Exec Director, Former Employees and Place Operational Hub: £89k favourable variance; due to underspends in the Place Operational Hub salary budget and other operational running efficiencies.	(50)	(89)	(39)
Development Management: £7k favourable variance, Due to S106 income for Planning Enforcement and TFL Air quality funding.	50	(7)	(57)
Parking Services: £96k adverse variance; this is due to: 1) The adverse variance is due to the declining number of PCN issues - April - Jan PCN issues are down by 4,976 compared to last year's (improved compliance from drivers). 2) Removal of Pay & display due to implementation of Cycle Lanes and Regeneration projects.	(76)	96	172
Traffic and Transportation Service: £136k favourable variance; the under spend is mainly due to increased income from Traffic Orders, as a result of higher than estimated utility works across the Borough.	(40)	(136)	(96)
Regulatory Services: £79k favourable variance; due to salary recharges to the Alleygating capital project and utilisation of 2018/19 the Rogue Land Lord grant.	0	(79)	(79)
Cemeteries: £75k favourable variance, due to income overachievement from cemeteries services, vacant post and cost efficiencies across the service.	(40)	(75)	(35)
Health and Safety Team: £150k favourable variance, 1) The main under spend is due to salary under spend £96k (vacant posts) 2) Occupational Health Contract under spend is estimated £40k 3) Occupational Health good receipt reversal from 2017/18 £35k 4) offset by income shortfall and other running costs pressures £21k	(83)	(150)	(67)
Management Team (Street Scene Services and Parks): £53k favourable variance - due to salary underspend (vacant post).	(52)	(53)	(1)

Place (cont.)	**Net Budget Q3 Variation (£'000)**	**Net Budget Outturn Variation (£'000)**	**Change (£'000)**
Street Scene Services: £61k adverse variance 1) Due to additional street cleansing costs (summer initiatives) 2) Plus additional fly tip clearances due to the impact from Trespass and Enforcement Actions on Council land.	0	61	61
Parks Operations and Outreach: £144k favourable variance The underspend is due to additional grants from Heritage Lottery and efficiencies generated from incorporating the Cemeteries contract into the Parks Operations schedule.	(50)	(144)	(94)
Commercial Services Parks: £75k adverse variance Due to shortfall of income from Parks Events (cancelations of 3 Parks Events).	56	75	19
Commercial Services Parks (Whitewebbs Golf Course): £134k adverse variance, this is due to the delays in awarding the leasing of the Whitewebbs Golf Course contract.	173	134	(39)
Waste Operations and Waste Client: £79k adverse variance Due to increased Matrix costs in March 2019 (Agency costs).	0	79	79
Waste Processing (BIFFA): £145k adverse variance Changes in the China policy towards recycling materials, which has increased the cost of processing from £26.52 to £48.44.	70	145	75
Commercial Waste Services: a £180k favourable variance Due to additional income generated from the successful marketing of the commercial waste services and an increase in fees and charges, North London Waste Authority commercial waste disposal rebate and other operational efficiencies.	(163)	(180)	(17)
People Transport: £258k adverse variance, this relates to the cost of the EDGE contract for 2018/19 and is proposed to be funded through the Flexible Use of Capital Receipts.	0	0	0

Place (cont.)	Net Budget Q3 Variation (£'000)	Net Budget Outturn Variation (£'000)	Change (£'000)
Facilities Management: £991k adverse variance 1) Not renting the Civic Centre's 5th floor has resulted in unrealised income of £360k 2) Civic Centre rent free period for Wates and EBSCO cost £245k 3) Cleaning and Security contract over spend (about £100k), which is due to increase in the London Living Wage 4) Delays in the implementation of £150k saving pressure related to alternative use of buildings 5) Enfield Business Centre is now used as a library (loss of income £65k) 6) Unfunded cleaning costs for Enfield Highway & Edmonton Libraries £65k 7) FM salary under spend £113k 8) St. Andrew's rent increase of £230k (including backdated rent) 9) £120k related to the Gentleman's row disposal saving that did not proceed 10) Rent payable reduced by £100k - credits due to GRIR PO's reversals 11) Document management underspend by approx. £70k, due to underspend on postage costs. 12) Plus other minor net variances of £61k (favourable)	1,247	991	(256)
Property Holly Hill Income (Bunding Income): £1.724m adverse variance, due to income shortfall as a result of delays in the Holly Hill project and discharging of the Planning Conditions.	1,605	1,724	119
Vacant Sites: £421k adverse variance The over spend is due to non-capital Clearways security costs (can't be capitalised); the costs are related to Montagu Industrial Estate £335k, Bury Street West £59k, Broomfield House £28k and Ridge House Clinic £18k. Offset by other minor under spends of £19k.	0	421	421
Disposals Programme: £321k adverse variance 1) £270k was rolled over from previous years to 2018/19, this sum is related to costs associated with various properties on the disposal list. But this year we have been advice not to roll these costs to future years, instead will show them as an over spend in 2018/19 2) £67k over spend is due to Reardon Court non capital costs - related to costs incurred before 18/19 (unfunded) 3) Other minor variances - £16k net underspend	0	321	321

Place (cont.)	**Net Budget Q3 Variation (£'000)**	**Net Budget Outturn Variation (£'000)**	**Change (£'000)**
Non HRA Parks Properties: £185k adverse variance, the overspend is due to the expected spend on R&M (NON-HRA properties) and Septic tank installation costs @ 1,2,3,4,5,6 Shawswood and Eastpole Cottages.	200	185	(15)
Property Corporate Commercial Portfolio: £295k favourable variance 1) Palace Gardens ground rent increase (backdated) £49k 2) Montagu Industrial Estate rent payable and running costs are less than predicted in Jan (£80k) 3) Claverings industrial estate rent, Insurance & service charge to internal clients at (£64k) 4) Knight Frank Green belt costs £88k less than estimated 5) And other minor variances of £14k	(51)	(295)	(244)
Strategic Property Services (SPS): £166k favourable variance: This is mainly due to underspend in salary costs & increase in SPS recharges to various projects.	(191)	(166)	25
Corporate Maintenance & Construction Services: £78k favourable variance, due to salary under spend and surpluses made through recharges to capital and other CMCT managed projects.	0	(78)	(78)
Regeneration: favourable variance of £213k, this is due to greater staff time been allocated to Regeneration and Meridian Water capital schemes.	(120)	(213)	(93)
Trespass and Enforcement Actions on Council land: £646k adverse variance Trespass and Enforcement Actions on Council land.	279	646	367
Housing: Temporary Accommodation (TA): £9k adverse variance	46	9	(37)
Other Minor variances	8	(2)	(10)
Place Total:	**2,818**	**3,220**	**402**

Resources	**Net Budget Q3 Variation (£'000)**	**Net Budget Outturn Variation (£'000)**	**Change (£'000)**
Finance Hub: the deputyship team was established on a full cost recovery basis that has not been possible to implement plus increases in demand have required additional resources to be employed which has further increased the pressure on the service budget.	84	159	75
Financial Assessments: overspend is forecast due to the continued level of demand experienced and staffing resources required to meet it. Costs have been mitigated through creating fixed term opportunities rather than reliance on temporary staff. Further savings were achieved through the application of grant funding for the provision of assisted digital and personal budgeting support.	272	176	(96)
Income Collection: overspend forecast due to reduction in level of court fees received through court summonses and court costs. There was also a staffing overspend because of a continued level of demand for services. The movement was due to lower levels of court fees than anticipated were received.	528	671	143
ICT operational budget: overspend due to new IT posts which are to be created with a part year effect in 2018/19 of £500k and a further £400k required to support GDPR and the additional resources required to transition into the new structure. Following the Pressures Challenge Board in 2018/19, £500k has been allocated for part-year effect of the ICT restructure which reduced the reliance on agency staff. The movement was due to additional work packages being extended in meeting operational, technical, security and data protection requirements.	515	896	381
ICT Contracts: this relates to a savings expectation of £1.0m in IT contract costs which are considered to be at risk of delivery and was also due to income targets relating to the commercialisation of IT related services also considered at risk of delivery within 2018/19. Where relevant Flexible Use of Capital Receipts was applied to support the ICT transformation programme delivery and the movement was due to a number of historic work programmes coming to an end; better controls in place and savings achieved through supplier negotiations.	425	(582)	(1,007)
ICT Applications/Licences: revenue impact of the annual maintenance/licence costs associated with the capital programme.	750	754	4

Resources (cont.)	Net Budget Q3 Variation (£'000)	Net Budget Outturn Variation (£'000)	Change (£'000)
Transformation Team: these relate to staffing costs and improved position is following a review of capital and HRA recharges and this will be funded using capital receipts.	0	(25)	(25)
Procurement: The overspend relates to savings target that are considered at risk, including the commercialisation of the service. Procurement savings were part delivered which resulted in a reduced overall overspend.	715	633	(82)
Procurement & Commissioning Co-managed Service Contract: The Council's 2018/19 Budget Report agreed that this contract would be funded from the Flexible Use of Capital Receipts.	0	0	0
Leisure & Culture: adverse variance relates to not achieving expected 2017/18 income targets and the impact this has on the likelihood of meeting the increased expectations that are reflected in the Medium Term Financial Plan. Mitigating actions are in progress to get the service operating within budgeted expectations.	951	918	(33)
Customer Operations: the underspend has resulted from an increase in HRA recharges and controls on agency expenditure.	(226)	(231)	(5)
Other Minor Variances	224	0	(224)
Resources Total	**4,238**	**3,369**	**(869)**

Appendix E

Corporate	**Net Budget Q3 Variation (£'000)**	**Net Budget Outturn Variation (£'000)**	**Change (£'000)**
Levies: Underspend against apprentice levy in 2018/19.	0	(268)	(268)
Contingency: This is mainly unallocated funding from the contingent items budget and general contingency (£2.3m) together with additional miscellaneous income (£0.2m)	(2,900)	(2,484)	416
MRP Minimum Revenue Provision contribution was less than the budgeted amount with the balance transferred to the MRP reserve	0	(1,296)	(1,296)
Treasury Management: Underspend results from lower interest payments and interest recharged to companies and major schemes for borrowing carried out on their behalf.	(5,614)	(4,942)	672
Corporate Total	**(8,514)**	**(8,990)**	**(476)**

Use of Capital Receipts in 2018/19

The table below shows how we used capital receipts in 2018/19

2018/19 Cost of Transformation Initiatives	**£'000s**	**Planned Savings and Demand Reductions**
People		
Edge of Care (Children's)	382	The Edge of Care transformation project will commission a Family Breakdown prevention team to reduce the short and long-term costs of Looked After Children provision.
Place		
EDGE Transport Contract	259	The EDGE Transport Contract is an invest to save initiative relating to the Councils People Transport Service, carried out by EDGE Public Solutions with and on behalf of the Council. This is the third and final year of the project and has been successful in terms of both savings and improvement of customer experience.
Resources		
IT Services and Transformation Team	1,129	ICT projects that will deliver transformation and more efficient ways of working that will generate revenue savings and improve performance.
Procurement and Commissioning co-managed service contract	1,894	Procurement services/roles across the Council were brought together to form the Procurement & Commissioning Hub as part of the Enfield 2017 transformation programme. The Procurement & Commissioning Hub is made up of Enfield employees and the Council's co-managed partner EY. A focus of the work carried out by the hub is on contract and commissioning reviews, innovative procurement and programme management of MTFP savings.
Total to be funded from Capital Receipts 2018/19	**3,664**	

Housing Revenue Account Outturn Variances 2018/19	Variance £000's
Rents Dwellings A reduction in the level of rental income is due a higher level of decants than originally budgeted for	340
Non-Dwelling Rents A reduction of £0.18m in garage rental income is mainly due to the reduction in private garages being let. The charge was significantly increased in 2018/19 and this has seen an increase in the expected void rate (estimated rate 60% actual 62.4%) This month's shop projection is showing a loss of income of £0.12m due to shops becoming vacant throughout the year. The community halls budget has incurred increased costs for external cleaning and old energy bills resulting in an overspend of £0.11m	420
Repairs The repairs and maintenance budget is showing an overall underspend of £1.5m. Some planned schemes were put on hold (including the painting programme) to mitigate the pressure in the voids budget. Enfield's properties are being returned in a poor state and there has been a rise in the number of evictions which increases the cost of repairs and clearance. The boiler replacement costs were capitalised at year end which has increased the overall saving. The saving will be added to the repairs reserve for future years contribution	(1,670)
Supervision and Management General The main overspends were due to additional insurance costs for dwellings (£0.78m), staff costs in the Regeneration and Development team that can't be capitalised, reduction in administration income from RTB sales (£0.11m) and an increase in the recharges from the general fund. Other pressures included higher salary costs due to agency staff covering permanent posts and an increase in the recharge for vehicles in the communal services budget. Overspends were partly offset by savings within the sheltered housing team due to vacancies and a reduction in the electricity charges due to properties moving to ground source heating	1,650
Bad Debt provision This year has seen an improvement in the collection of our arrears, this has reduced the contribution required to the provision of bad debt.	(320)
Depreciation There has been an increase in the depreciation for non-dwellings	280
Other Items	20
Overspend before Reserve Transfers	**720**
Transfer repairs underspend to R & M reserve	1,670
HRA overspend after reserve transfer	**2,390**
Use of HRA Balances	**(2,390)**
Net HRA Outturn	**0.00**

Reserves and Balances	31 March 2018 £m's	Net Transfers 2018/19 £m's	31 March 2019 £m's
Housing Revenue Account			
HRA Repairs Fund	9.4	1.7	11.1
HRA - Capital Reserve	4.2	(3.3)	0.9
HRA Insurance Fund	0.0	0.2	0.2
Total HRA Earmarked Reserves	**13.6**	**(1.4)**	**12.2**
General Fund			
Service Projects/Programmes			
General Fund - Capital Reserves	6.8	(5.3)	1.5
Troubled Families	1.4	0.2	1.6
Projects Reserves	8.0	0.2	8.2
ICT Investment Fund	0.9	0.0	0.9
Risk and Smoothing Reserves			
Restructuring & redundancy reserve	0.6	(0.6)	
Repair & Maintenance	1.3	0.5	1.8
Repairs Fund for Private Sector Leasing	0.6	(0.0)	0.6
PFI	0.6	(0.1)	0.5
NLWA	0.0	1.0	1.0
Invest to Save	0.0	2.0	2.0
Risk Reserve	14.0	(1.0)	13.0
Interest Rate Equalisation Reserve	7.4	0.0	7.4
Insurance Fund	6.5	0.1	6.6
Welfare Benefits Reserve	2.2	(0.1)	2.1
Housing Benefits Smoothing Reserve	0.0	1.8	1.8
Collection Fund Equalisation Reserve	6.0	4.5	10.5
	56.3	**3.2**	**59.5**
Capital Financing Reserves - ring-fenced for future commitments			
Minimum Revenue Provision Reserve	7.9	7.4	15.3
Sub Total	**64.2**	**10.6**	**74.8**
Dedicated Schools Grant Reserve	(0.7)	1.8	1.1
S106 Receipts	0.5	(0.1)	0.4
Public Health	1.3	0.7	2.0
Total General Fund Earmarked Reserves	**65.4**	**13.0**	**78.4**
Total Earmarked Reserves (HRA & GF)	**79.0**	**11.6**	**90.6**
General Fund Balance	14.0	0.0	14.0
General Fund Earmarked Reserves	65.4	13.0	78.4
Total General Fund Reserves and Balances (excl. schools balances)	**81.8**	**11.4**	**93.2**
HRA Balance	7.0	(2.4)	4.6
HRA Earmarked Reserves	13.6	(1.4)	12.2
Total HRA Reserves and Balances	**20.6**	**(3.8)**	**16.8**