



AYLESBURY VALE DISTRICT COUNCIL

Democratic Services

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6 February 2020

FINANCE AND SERVICES SCRUTINY COMMITTEE

A meeting of the Finance and Services Scrutiny Committee will be held at **6.30 pm** on **Monday 17 February 2020** in **The Paralympic Room, Aylesbury Vale District Council, The Gateway, Gatehouse Road, Aylesbury, HP19 8FF**, when your attendance is requested.

Membership: Councillor M Rand (Chairman); Councillors B Everitt (Vice-Chairman), N Blake, J Bloom, J Chilver, S Lambert, R Newcombe, M Smith, M Stamp, R Stuchbury and A Waite

Contact Officer for meeting arrangements: Craig Saunders; csaunders@aylesburyvaledc.gov.uk;

AGENDA

1. APOLOGIES

2. TEMPORARY CHANGES TO MEMBERSHIP

Any changes will be reported at the meeting.

3. MINUTES (Pages 3 - 8)

To approve as a correct record the Minutes of the meeting held on 11 November, 2019.

4. DECLARATION OF INTEREST

Members to declare any interests.

5. FINANCE DIGEST: APRIL TO DECEMBER 2019 (Pages 9 - 34)

To consider the attached report and appendix.

Contact Officer: Simon Wastenev , swastenev@aylesburyvaledc.gov.uk

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FINANCE AND SERVICES SCRUTINY COMMITTEE

11 NOVEMBER 2019

PRESENT: Councillor M Rand (Chairman); Councillors A Cole (In place of J Chilver), R Newcombe, M Smith and R Stuchbury. Councillors Macpherson and Mordue attended also.

APOLOGIES: Councillors B Everitt, N Blake, J Bloom, S Lambert, M Stamp and A Waite.

1. MINUTES

RESOLVED –

That the minutes of the meeting held on 9 September, 2019, be approved as a correct record.

2. TREASURY MANAGEMENT 2019-20: MID YEAR REVIEW

The Authority's Treasury Management Policy required an annual report to be brought to Council after each year end and a mid year report for the current year. A synopsis of treasury management activities had been included in the Quarterly Financial Digest submitted to the meeting.

Members were informed that the amount of money deposited with banks and building societies at the end of September 2019 was £33 million with another £3.2 million held in the two Money Market Funds. The outstanding balance on borrowings was £18.5m. As there had been no new borrowing taken out, there had been no change to the Council's Authorised and Operational Limits.

The impact of the announcement of a single Unitary District Council for Buckinghamshire on the Treasury Management of the Council was being assessed through a working group and would be progressed over the coming months.

The objectives for the Treasury Management team for 2019/20 had been laid out in the Treasury Management Strategy agreed by Council in February 2019. The main activities continued to be:-

- Foremost, to maintain, the security of the Council's deposits by only depositing with trusted financial institutions and limiting the size and length of deposit with each organisation.
- To directly manage a range of deposits in order to provide sufficient flexibility to meet day to day operational needs.
- To only undertake new long term borrowing where the business case justifies it.

The Treasury Management team continued to invest money in line with its list of approved (safe) institutions, varying the amounts and length of deposit according to the institution and the cash flow requirements at the time. Historically, the majority of the Council's lending had been with Building Societies but over the last year the Council had invested more of its portfolio with major UK banks and had also began depositing funds with other Local Authorities as a more secure option. The lending list was monitored throughout the year to take account of any changes within the sector i.e. building society mergers / conversions to banks, and ratings changes.

The Council ability to manage capital spend without additional borrowing had resulted in financial efficiencies and savings on the cost of borrowing. The variance on income generated had been offset by savings on interest charges due, due to lower than planned level of borrowing. In the six months of the financial year, a saving of £123,000 was reported on bank charges payable. Members were informed that the local government landscape for borrowing might change over time. In early October 2019, Whitehall had announced a whole percentage point increase in the rate of borrowing from the Public Works Loan Board (PWLb), for new loans. This would impact on future borrowing plans by Councils.

Although the levels of investment balances had been reducing, the rates of return earned had been assessed as being above average. For the 6 months to the end of September 2019, the weighted average rate of return for the Council was 0.85% on investments of £36.2m. The performance was in line with the model band of all Non-Metropolitan Districts (90 authorities) which ranged between 0.84%-0.94%. After raising interest rates in August 2018, the Monetary Policy Committee had voted unanimously to hold rates in their subsequent meeting to September 2019. There were however a number of economic factors e.g. Brexit which could influence interest rate changes over the coming months.

The council continued to operate two Money Market Funds to give the in-house team easy access to surplus funds. Whilst, Money Market Funds had the highest credit ratings, the interest rates offered were typically 15-25 basis points below those of Fixed term Deposits. However MMFs offered the most effective fund structure to manage the council's daily cash flow requirements.

Property Funds still offered some of the best returns on capital. Investing in a Property Fund was within the strategy but as yet the council had decided not to use them, in part due to the unitary decision.

The Committee had no substantial comments on the mid year report and thanked the in-house team for the efficient manner in which they continued to manage the Council's funds.

RESOLVED –

That the performance to date against the Treasury Management Action Plan for 2019/20 be noted.

3. FINANCE DIGEST: APRIL 2019 TO SEPTEMBER 2019

The Committee received the Quarterly Financial Digest for the period to 1 April to 30 September 2019, which represented the position after the first 6 months of the 2019-20 financial year. The digest was attached as Appendix 1 to the Committee report, and Members referred to it during discussions.

As at the end of September 2019, the Council was reporting a net overspend against budgets of £783,376.. While a number of risks and issues had been identified and their impact was being monitored and managed, it was anticipated that any additional cost pressures would be offset by budget underspends and additional income across the Council and a forecast balanced budget would be delivered for the 2019-20 financial year. This had also been assumed in the Medium Term Financial Plan (MTFP) agreed by Council in February 2019.

Members were assured that timely reporting had allowed for mitigating actions to be identified by budget holders and managers across the Council to address the emerging

financial position. 2019-20 represents an exceptional year for the Council, with the move to the single unitary council in April 2020. Whilst every effort was being made to deliver a balanced budget and remain focused on continuity of service delivery, the decision had a profound impact on strategy and future planning.

The forecast level of balances for the financial year was reported as £2.353m, higher than planned. The increase to the working balances was a result of the 2018-19 financial outturn being better than forecast. Earmarked reserves were held for legitimate reasons and the use of earmarked reserves was an essential part of sound financial planning.

The year to date forecast position currently assumed the use of reserves to support some one off or exceptional spend and to offset agency costs for planning where there were unusual pressures. The use of further reserves would be assessed during the year.

Details of the significant cost pressures and efficiencies for the year to date included:-

- Savings against budget in relation to transitional relief for business rates (£110,000).
- Budget savings arising as a result of the delay in implementation of the taxi token scheme (£16,000).
- Within the environment and leisure portfolio, an overspend on staff of £103,000 relates to the use of agency staff working on planning enforcement during a period of change and restructure as a review of work processes was undertaken to realise service improvements. It was anticipated that the use of agency staff would cease in the final quarter of the financial year.
- A year-to-date overspend against budget was also reported for the housing benefit department (£45,000). Additional staff had been engaged to address a back log of work. Vacancies in this area had also led to agency use at premium cost. The department was benchmarked to be lean compared to other authorities. Currently, the staffing position was much improved and all temporary staff had been released other than those covering current vacancies or those who were funded. No recurrent staffing pressures had been assumed.
- For the period to the end of September, a number of vacancies had arisen both as a result of secondments made to the unitary team and also staff leaving the organisation. This included both members of the senior management team and also staff across the Project Management Office, Communications and the Electoral and Democratic teams. A number of the vacancies remained unfilled and had not been covered by agency staff, resulting in underspends. (£175,000).
- Pressure on SEED income due to the impact of unitary decisions had resulted in a year to date income shortfall of £42,000. Whilst pipeline council to council income remained strong, the ability to deliver it was reducing pending the transition to unitary. Resources in the team had also been diverted to support other corporate priorities.
- Staffing pressures across the planning and building control teams remained a financial pressure in the reported budgets year to date. Staffing budgets were overspent by £150K (after the use of reserves). Work continued in the area to review working practices and spend levels whilst maintaining service provision.
- A shortfall against income targets for the planning department (£277,000) was largely a result of reduced staffing capacity to deliver to targets together with a shortfall to the pre-planning application pipeline and income recovery levels.
- The Council are reporting a year to date overspend of £267,000 waste budgets. This relates largely to increased costs of waste disposal. The cost of disposal is based mainly on the commodity value of each material (plastic, card, paper etc.) and therefore the cost paid is largely outside of the Council control. This has been highlighted as a future financial risk.

There were many other less significant variances across the Council and budget holders were reviewing these on a monthly basis. The report also contained information on the use of agency/temp staff that had been discussed as a separate agenda item at the previous meeting. The spend on high cost agency staff continued to be monitored and managed in order to minimise overspends on salary budgets. The use of agency to cover vacancies and service pressures incurred a premium and often resulted in an adverse variance to agreed budgets.

Despite this, agency spend for the period July to September 2019 had been 10.5% lower than the spend over the first three months of the financial year. Agency spend for the period to date in 2019/20 was 4.4% lower than 2018/19.

The Digest at page 14 detailed the reserves and provisions currently held by the Council against specific risks and commitments. The level of reserves held would change during the financial year as commitments are confirmed and approved.

Page 15 of the Digest reported on the level of capital spend to 30 September 2019, with there being a spend of £1,286,183 to date. The spend was primarily on existing projects. The spend on existing and planned projects would be reviewed over the coming months to assess any capital slippage for the financial year.

Members were informed that no new borrowings had been taken out so the current level remained at £18.5m. The council had £36.2m invested at the end of September, in a combination of banks, building societies and money market funds.

Members sought additional information and were informed:-

- (i) on the current position with the Planning Service, including the use of temporary / agency staff to try to deal with issues now before the new Council. The pre-planning advice service had been suspended for a time but would hopefully be reinstated shortly.
- (ii) that an allowance had been made within the budget in relation to the sale of recycling materials. However the spot price for recyclable could change and was a contributory factor to a £380K cost pressure.
- (iii) that the Council had lost the tenants from the top 2 floors of 66 High Street. While this gave some flexibility for using the space for unitary projects the High Street building would need to be upgraded before it could be re-let.
- (iv) that there had been an increased demand from unitary work streams for meeting rooms at The Gateway which had reduced conference centre income.
- (v) that if AVDC staff were seconded full time to work for the Shadow Authority then their full costs would be paid for from the implementation budget. Positions could be backfilled although this often had to be done at a premium or existing staff had to take on additional workloads.
- (vi) that an additional budget provision had been made for agency staff to be used by the Planning Service.
- (vii) that there had been a temporary backlog of payments in the Housing Benefits area although this had now been resolved. This was due to the introduction of Universal Credit not reducing caseloads and work as much as had been expected. The annual audit of the Housing Benefits service had recently been completed and would be reported in due course to Members.

- (viii) that the additional Assistant Directors costs related to additional employee and agency staff costs, ongoing operational requirements and unitary cost pressures.
- (ix) that the additional Legal Services costs related mainly to supporting the Planning Service.
- (x) with an explanation of the need for the Special Expenses account to keep a reserve for unforeseen maintenance costs / expenditure.
- (xi) with a detailed explanation of all the initiatives and extra work that was being done within the Planning Service to reduce the backlog of applications which had been reduced by 23% in the last few months. Planning had been re-organised into two teams, one to deal with new applications within the statutory deadlines and a second team to deal with the backlog. The Council had received 2,200 housing planning applications in the last year which had been more than the budgeted 1,500 and the 1,700 received for the previous year.
- (xii) that some of the budgetary cost pressures in the Waste and Recycling Service were as a result of the Council having to pay to dispose of recyclates for the new contract whereas the previous contractor had paid the Council for recyclates.

RESOLVED –

That the contents of the Finance Digest and the position for the Council after the six months of the 2019-20 financial year be noted.

4. WORK PROGRAMME

There were no suggestions for agenda items to come to the next, and very last, meeting of the Scrutiny Committee on 17 February 2020.

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FINANCIAL DIGEST : APRIL 2019 - DECEMBER 2019

1 Purpose

- 1.1 This report presents the Financial Digest for the period to 31st December 2019. This represents the financial position for the first nine months of the financial year 2019/20.

2. Recommendations

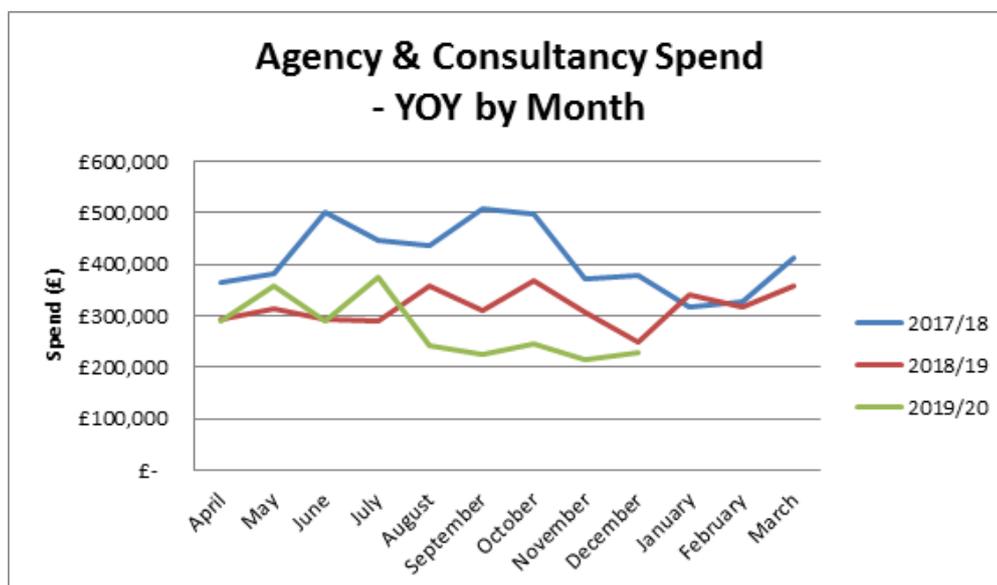
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| 2.1 | Members are requested to consider the digest and its contents. |
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3 Supporting information

- 3.1 This report presents the financial digest for the period to the end of December 2019 for member's consideration.
- 3.2 The financial digest is attached as Appendix 1.
- 3.3 The year to date financial information is based on the actual income and expenditure for the first nine months of the financial year. An estimate of the expected financial outturn position for 2019/20 is also provided.
- 3.4 As at the end of December, a net overspend of £1.595m is reported on services, compared with a net overspend of £1.293m reported at Q2.
- 3.5 After allowing for lower financing costs this is reduced to a forecast overspend of £1.067m.
- 3.6 This overspending will be met from higher retained Business Rates generated through the Government's business retention system and Business Rate Pooling Pilot which Bucks authorities signed up for in 2019/20. The Forecast expected gain from Business Rates Retention has been estimated at £4.05m and balance of this gain (£2.983m) will be added to the Retained Business Rate Reserve.
- 3.7 The main change reported for Q3 relates to an increased shortfall of Garden Waste Income of £0.5m, offset by other net budgetary improvements detailed in this report in the final bullet-point of section 3.15.
- 3.8 In making this forecast a number of risks and issues have been identified which are being monitored and managed. The Medium Term Financial Plan (MTFP) agreed by Council in February 2019 assumed a break-even position for 2019/20.
- 3.9 There are a number of exceptional factors in 2019/20 for the Council, with the transition to the single unitary council in April 2020. Whilst every effort is being made to deliver to current year's approved budget and remain focused on continuity of service delivery, the decision has had a significant impact on the cost of service delivery. Furthermore, the decision creates significant uncertainty over the direction of work programmes and uncertainty for staff which has impacted on the financial picture for 2019/20.
- 3.10 The financial outlook is reviewed on an on-going basis to both reduce financial risks that may impact adversely on the financial forecast and to identify additional efficiencies that may support the Council's overall finances.
- 3.11 The forecast level of unallocated balances for the financial year is reported as £2.344m. This is marginally higher than the Council's assessed minimum and this is the result of the financial outturn for 2018/19 being better than forecast.

- 3.12 In addition to unallocated balances, the Council also holds Earmarked reserves. These are held for legitimate reasons and the use of earmarked reserves is an essential part of sound financial planning.
- 3.13 The year to date forecast position currently assumes some use of reserves to offset agency costs for planning where there are unusual pressures. The use of further reserves will be assessed during the year.
- 3.14 There are a number of underlying factors relevant to the reported year to date overspend.
- 3.15 Detail of significant cost pressures and efficiencies for the period to date and impacting on the forecast year end position include:
- Net savings against budget in relation to transitional relief for business rates (£113,009) for the Waterside car park.
 - Budget savings arising as a result of the delay in implementation of the taxi token scheme (£25,020).
 - Within the Economic Development Portfolio, the net overspend to date arises from net £42,040 increased income offset by net £28,043 increased agency spending and £63,096 higher accommodation costs.
 - Within the environment and leisure portfolio, an overspend on staff of £156,107 relates to the use of agency staff working on planning enforcement during a period of change and restructure as a review of work processes is undertaken to realise service improvements. Additionally, lower than planned income and increased horticulture contract costs create a net overspend of £24,684. Overspends are offset by £68,124 reduced costs and higher income for Communities and Community Centres.
 - For the Finance and Resources portfolio, a net year to date overspend of £46,281 is reported. This combines savings from vacancies, transfers to the unitary project and agency costs to maintain service provision amounting to £163,420, offset by £117,139 year to date overspend against budget to maintain services in the housing benefit department to cover operational requirements.
 - Pressure on SEED income due to the impact of unitary decisions has resulted in a year to date net income shortfall of £39,661. Whilst pipeline council to council income remains strong, the ability to deliver it is reducing pending Unitary. Resources in the team are also being diverted to support other corporate priorities.
 - Budget pressures across the planning and building control teams remains an issue, with £600k applied from reserves to offset higher staffing costs, most of which arise from increased agency costs. Shortfalls in current year planning income of £557k are reported in year to date figures. Work continues in this area to review working practices and spend levels whilst maintaining service provision.
 - The Council are reporting a year to date overspend of £812,029 waste budgets. This relates to £316k higher waste disposal fees arising from current contracts. This has been highlighted as a future financial risk.
 - A further 2019/20 overspend of £509k is associated with changes in the accounting treatment of the Garden Waste service, meaning that income received is aligned with service delivery costs. This is not a loss of income, only recognising the income in the accounts later than presently. This change impacts 2019/20 only; assuming that take-up of the Garden Waste service is achieved.

- 3.16 For the nine months of the financial year to date, the main financial issues emerging are outlined in the paragraph above. Across the Council, many other budgets have less significant variances as spending patterns can be varied over the months and commitments not fully realised, resulting in smaller year to date variances. Budget holders review spend and income on a monthly basis.
- 3.17 The year to date financial position includes spend on agency staff. The spend on high cost agency staff continues to be monitored and managed in order to minimise overspends on salary budgets. The use of agency to cover vacancies and service pressures incurs a premium and often results in an adverse variance to agreed budgets.
- 3.18 Members have previously considered a paper outlining the management arrangements for agency and temporary staff.
- 3.19 Agency spend is incurred for a number of reasons including
- To support funded project work e.g. Connected Knowledge programme
 - To support service delivery where there are vacancies or activity related pressures.
- 3.20 The graphs below detail the current spend across the organisation, and also comparative information for previous years.



- 3.21 Overall, agency spending has fallen from previous levels. Total agency spending at the end of December 2019 is 12.7% lower than the same point in 2018/19 and 57.7% lower than the similar period for 2017/18. Planning agency spending is 7.1% lower than the same point in 2018/19 and 27.1% lower than the similar period for 2017/18.
- 3.22 Detail of the reserves and provisions currently held by the Council are listed on page 14 of the digest. These reserves are held against specific risks and commitments. The table details the closing balances for reserves at the end

of March 2019 and gives an estimate of known/anticipated movements. The level of reserves held will change during the financial year as commitments are confirmed and approved.

- 3.23 As well as the revenue budget the digest, on page 15 also reports on the level of capital spend to 31st December 2019. Spend on existing and planned projects is £3,812,703, with projected slippage of Capital Projects of £8.3m forecast at the year end.
- 3.24 On page 16 there is information on the level of investments and borrowings during the first nine months of the financial year. No new borrowing has been taken out so the current level remains at £18.5m.
- 3.25 The council had £45.2m invested at the end of December, in a combination of banks, building societies and money market funds.

4 Options considered

- 4.1 The financial forecast represents a view of the likely financial outturn for the financial year, given current working assumptions.
- 4.2 With nine months of the financial year left, it is difficult to assess the financial outturn with absolute certainty, especially in the transitional phase moving towards the new unitary authority. In preparing forecasts, best estimates of income and expenditure are made in line with known expectations and intelligence on emerging issues in liaison with budget managers.
- 4.3 Whilst currently reporting a break-even position, the following risks and issues have previously been identified and continue to be monitored and managed in the final quarter of the financial year;
- Variances on budgeted staff costs
 - Income shortfalls in relation to property and garden waste income.
 - Higher than budgeted costs of waste disposal
 - Revision of corporate budgets in relation to financing items including Business rates.

4.4 Staff costs

Across the Council, the financial position is influenced by the spend on staff costs. Despite known pressures on staff costs in areas including planning, enforcement and housing benefit, it has been possible to offset overspends with underspends and additional efficiencies in other areas including Project management office, democratic services and senior manager vacancies. Managing staff costs will continue to be a key focus for budget managers.

4.5 Income shortfalls: Across the council, budget holders are managing

- Planning income is behind planned levels due to staffing constraints and changes to the pre-planning applications pipeline. A revised PPA plan is being agreed and a proactive drive to increase activity is now in place.
- The tenants at 66 High Street, Aylesbury gave notice to vacate the property on 30th September 2019. The forecast has improved since the forecast at the end of Quarter 1 as the tenant has revised plans for occupancy to March 2020. The status of the letting remains under review.
- The forecast also reflects income foregone from keeping space vacant at the Gateway to meet unitary requirements.

- With the implementation of the improved garden waste subscription service during 2019 residents were offered pro-rata payments which have resulted in a non-recurrent shortfall in the current year (£700,000). Annual billing for all residents will occur in November 2019 for the year 2020 and the change in accounting policy aligns income with service costs moving forward. Assuming that targets are met for take up of the Garden Waste Service, this budget pressure will occur only in 2019/20

4.6 Waste Disposal costs

- The Council have identified a cost pressure in relation to waste disposal costs. This is currently forecast to be £0.4m above budgeted costs for 2019/20
- This cost pressure is being flagged as a forecast overspend for the financial year, and also as a MTFP pressure for 2020/21.

4.7 Financing items

A number of changes to budgets, held at a Corporate level, in relation to financing items have been actioned which have resulted in an better than planned position.

- An increase to dividend paid to the Council for the Crematorium and AVE
- The forecast position reflects savings on interest charges due to lower than planned level of borrowing.
- Revision downwards of Minimum Revenue Provision (MRP) in line with revised borrowing requirements
- Above budgeted level of income recovery in relation to Business rates

4.8 The Council also holds a small contingency budget which can be used to offset some financial risk.

4.9 This report assumes that surplus business rates and s31 income will be applied as an increased contribution to reserves in 2019/20. This process maintains the overall balanced position reported previously and maintained in this report to the end of December 2019.

4.10 The key financial management messages for the Organisation for the remainder of the financial year, based on the YTD financial position are highlighted as being:

- Reduce agency spend and dependency on temporary staffing solutions
- Identify where things could be done more efficiently, and at reduced cost
- Maximise all opportunities to increase income to the Council
- Reduce spend on non-pay items where possible
- Manage financial uncertainties arising from external factors including Unitary decision

4.11 The financial outlook is being reviewed on an on-going basis to both reduce financial risks that may impact adversely on the financial forecast and also to identify opportunities to improve on the current forecast position.

4.12 Members should note that ongoing pressures and risk identified as part of the monitoring process are being raised for consideration in MTFP proposals for 2020/21 for the Buckinghamshire Council.

4.13 Aylesbury Vale Finance officers are working closely with colleagues from across the county to present a combined in-year monitoring position for the Shadow Executive.

5 Resource Implications

- 5.1 The resource implications are as detailed within the digest. The digest represents the main forum for reporting budget performance to members.

6 Response to Key Aims and Objectives

- 6.1 Budget monitoring helps us to ensure resources are deployed in a way that is consistent with our key aims and outcomes.

Contact Officer

Simon Wastenev

Background Documents

Appendix : Financial Digest December 2019



FINANCIAL DIGEST DECEMBER 2019

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Main points of note contained within December's digest

The Main Message

The Council spent £1,381,498 more on the provision of services during the first 9 months of 2019/20 than allowed for in the budget.

- Pay overspends of £0.6m (after the use of reserves and offset of income due) which includes the use of agency to support staffing.
 - For the Housing Benefit team, additional staffing and overtime costs have been incurred to address operational requirements.
 - For the Enforcement team, a restructure has resulted in non-recurrent costs to deliver delivery efficiencies.
 - A number of vacancies remain unfilled and not covered by agency, resulting in underspends. This is largely as a result of secondments made to the Unitary team leaving vacancies at AVDC.
 - The Council are reporting a year to date overspend on waste budgets of £985,000.
 - Budget savings arising as a result of the delay in implementation of the taxi token scheme
 - Savings against budget in relation to transitional relief for business rates
 - Above budgeted levels of income in relation to additional dividends paid
- Reviews are ongoing with services to ensure effective financial management
- General efficiencies have been achieved in the nine months to the end of December, a number of cost centres are reporting underspends.

The Council are forecasting to balance the budget for the 2019-20 financial year.

A number of risks and issues have been identified and are being monitored and managed

- Variances on budgeted staff costs
- Income shortfalls in relation to property income.
- Higher than budgeted costs of waste disposal
- Lower income from the Garden Waste scheme due to a change in invoicing policy - this change affects this year only, being the year of transition.
- Revision of corporate budgets in relation to financing items

The Main Issues

The main issues arising are highlighted below, with further analysis included in the main body of the digest:

	Variance to Date £	Predicted Outturn £	
Top 5 Over Budget			
Planning Services	573,253	600,000	Increased agency staff costs and reduced Planning & Building Control fee income
Waste & Recycling - Commercial	509,519	630,000	Trade Waste disposal fees and a reduction in garden waste income due to policy change
Waste & Recycling - Non Commercial	314,655	370,000	Domestic Waste disposal fees
Environmental Services	156,107	150,000	Increased staffing and agency costs
Assistant Directors	121,431	77,700	Increased staffing costs
Top 5 Under Budget			
Car Park Management	(113,009)	(164,600)	Savings from transitional relief in business rates
Chief Executive's Support Services	(78,442)	(120,000)	Salary savings
Economic Development	(70,973)	(78,600)	Recharge of costs to East/West Rail
Project Management Office	(70,554)	(82,000)	Staff secondment to Unitary
Director - TA	(43,544)	(80,000)	Salary savings

GENERAL FUND SUMMARY AS AT 31ST DECEMBER 2019

GENERAL FUND STATEMENT OF BALANCES	ACTUAL OUTTURN 2018/19 £'000	ORIGINAL BUDGET 2019/20 £'000	EXPECTED OUTTURN 2019/20 £'000
Brought Forward 1st April	(1,977)	(1,927)	(2,353)
Planned Use of/(Contribution to) Balances	(240)	0	0
Less General Overspend Assumption	(192)	0	0
Contribution to the HS2 Fund	6	0	9
Commercial Activities	50	0	0
Net Use of/(Contribution to) Balances	(376)	0	9
Working Balance Carried Forward	(2,353)	(1,927)	(2,344)

Fund	General		Year to Date		
	Full Year		Budget to Date	Actuals to Date	Significant Variances
Portfolio	Current Budget	Expected Year End Variance			
Civic Amenities	29,900	(171,700)	(276,760)	(392,455)	(115,695)
Communities	1,257,400	(80,900)	848,295	791,574	(56,721)
Economic Development	(571,900)	199,900	(503,650)	(446,735)	56,915
Environment & Leisure	2,908,300	114,900	1,523,300	1,634,491	111,191
Finance & Resources	6,975,700	48,200	8,228,805	8,275,086	46,281
Leader	1,619,500	(120,000)	1,200,530	1,184,123	(16,407)
Planning & Enforcement	(209,600)	655,000	83,390	669,856	586,466
Strategic Planning & Infrastructure	1,184,500	(35,000)	987,790	945,229	(42,561)
Waste & Licencing	5,854,400	985,000	4,628,381	5,440,410	812,029
Total Portfolio Expenditure	19,048,200	1,595,400	16,720,081	18,101,579	1,381,498
Net Interest Receivable	(1,216,800)	(193,600)			
Contribution To Reserves	874,800	2,983,200			
Contribution From Reserves	(1,563,700)	0			
Contingency Items	128,100	36,600			
Asset Management	(1,048,800)	28,500			
Financing Items	1,135,800	(436,900)			
District Expenditure	17,357,600	4,013,200			
Less Aylesbury Special Expenses	(849,300)	0			
Contribution (from)/to Special Expenses	(51,100)	37,300			
Net District Expenditure	16,457,200	4,050,500			
Government Grant	(5,074,500)	(4,050,500)			
Collection Fund	(11,382,700)	0			
Overspend	0	0			

Please Note: Figures in brackets are underspending/additional income

Fund	General
Portfolio	Civic Amenities

Service	Full Year	
	Current Budget	Expected Year end Variance
Car Park Management	(732,500)	(164,600)
Leisure Centres	4,000	0
Market	0	(3,100)
Public Burial Fees	3,000	0
Public Conveniences	130,100	(300)
Theatre & Leisure Centre Management	80,400	5,700
Town Centre Manager	191,600	(9,400)
Town Centre Open Spaces	45,300	0
Waterside Theatre	308,000	0
Grand Total	29,900	(171,700)

Year to Date		
Budget to Date	Actuals to Date	Significant Variances
(434,320)	(547,329)	(113,009) ①
(388,090)	(393,034)	0
6,290	3,820	0 ②
2,250	1,815	0
103,500	109,098	0 ③
61,730	68,359	0 ④
136,060	128,207	0 ⑤
45,300	45,577	0
190,520	191,032	0
(276,760)	(392,455)	(115,695)

Notes

- ① £113,009 lower costs - savings from transitional relief in business rates and operational changes to Waterside car park, reduced by building insurance costs in Hampden House car park. The forecast has been amended to reflect these savings and pressure.
- ② The forecast has been amended to reflect marginal savings from transitional relief in business rates.
- ③ The forecast has been amended to reflect marginal savings from transitional relief in business rates.
- ④ The forecast has been amended to reflect increased consultancy costs offset by savings in salaries.
- ⑤ The forecast has been amended to reflect increased income from events.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Portfolio	Communities

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Community Safety	402,800	(35,500)	279,500	268,826	(10,674) ①
Concessionary Travel	44,200	(33,400)	33,210	8,190	(25,020) ②
Grants	39,900	0	25,970	20,558	0
Housing Pathways	42,600	(12,000)	17,750	4,185	(13,565) ③
Housing Services	664,700	0	428,665	426,616	0
Strategy & Partnerships	63,200	0	63,200	63,200	0
Grand Total	1,257,400	(80,900)	848,295	791,574	(56,721)

Notes

- ① £10,674 higher income - increased local authority partnership contributions which are expected to be spent during the remainder of the year.
- ② £25,020 lower costs - the Taxi Token Scheme has been placed on hold whilst the service is under review. The forecast has been amended to reflect the anticipated outturn position.
- ③ £13,565 additional income - nomination income received from Private Housing partners.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Portfolio	Economic Development

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Bus Station	142,400	0	90,640	90,963	0
Commercial Property	(1,932,400)	143,200	(1,401,325)	(1,372,392)	28,933 ①
Economic Development	253,200	(78,600)	167,140	96,167	(70,973) ②
Facilities Management	48,100	0	27,255	28,068	0
Highway and Amenity Areas	7,300	0	5,490	1,649	0
Industrial Estates and Town Centre Props	551,500	43,600	419,560	447,603	28,043 ③
Land Charges	(8,200)	6,000	(27,770)	(17,797)	0 ④
Non Operational Property	(28,900)	(5,000)	(21,645)	(29,861)	0 ⑤
Office Accommodation	366,400	80,100	212,445	275,541	63,096 ⑥
Standby Services	10,200	0	7,650	6,946	0
Town Centre Open Spaces	18,500	10,600	16,910	26,378	0 ⑦
Grand Total	(571,900)	199,900	(503,650)	(446,735)	56,915

Notes

- ① £28,933 lower income - reduced income due to tenant vacancies at a number of properties. The forecast has been amended to reflect the anticipated outturn position.
- ② £70,973 higher income - recharge of 17/18 East West Rail costs. The forecast has been amended to reflect this.
- ③ £28,043 higher costs - employee & agency staff costs to meet operational requirements. The forecast has been amended to reflect this increased spend offset by savings in business rates.
- ④ The forecast has been amended to reflect lower than budgeted income from searches.
- ⑤ The forecast has been amended to reflect a small increase in income.
- ⑥ £63,096 higher costs - one off refund of rent deposit of £20,000 plus increased utilities and security costs. The forecast has been amended to reflect the anticipated outturn position.
- ⑦ The forecast has been amended to reflect increased horticulture contract costs.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Portfolio	Environment & Leisure

Service	Full Year		Year to Date		
	Current Budget	Expected Year end Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Communities	481,300	(39,700)	351,675	320,355	(31,320) ①
Community Centres	483,900	(34,800)	306,935	270,131	(36,804) ②
Environmental Services	907,900	150,000	185,680	341,787	156,107 ③
Land Drainage	55,400	0	31,120	30,952	0
Parks, Pitches & Open Space	977,500	39,400	646,090	670,774	24,684 ④
Waste & Recycling - Non Commercial	2,300	0	1,800	492	0
Grand Total	2,908,300	114,900	1,523,300	1,634,491	111,191

Notes

- ① £31,320 lower costs/lower income - savings in salary and service costs offset by reduced income. The forecast has been amended to reflect the anticipated outturn position.
- ② £36,804 lower costs/higher income - savings in utilities and horticulture contract costs, plus higher than expected income. The forecast has been amended to reflect these.
- ③ £156,107 higher costs - increased planning enforcement employee costs. The forecast has been amended to reflect the anticipated outturn position.
- ④ £24,684 higher costs/lower income - increased horticulture contract costs and lower than budgeted pitch income, somewhat mitigated by savings in utilities costs. The forecast has been amended to reflect the anticipated outturn position.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Portfolio	Finance & Resources

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Car Pooling Scheme	108,700	0	68,970	69,386	0
Contract & Procurement Services	249,700	(35,000)	187,780	161,807	(25,973) ①
Core Costs	1,422,900	(30,300)	1,061,190	1,030,882	(30,308) ②
Democratic Services	513,700	0	385,710	386,516	0
Digital Services	316,600	14,000	238,040	251,957	13,917 ③
Enterprise Service Desk Support	190,800	26,700	160,960	182,437	21,477 ④
Finance & Payroll Services	1,994,500	1,000	1,483,010	1,478,800	0 ⑤
Flexitime Scheme	4,200	8,800	4,200	10,998	0 ⑥
Governance	(100)	0	(61,980)	(64,385)	0
Housing Benefits	1,500,200	150,000	3,589,025	3,706,164	117,139 ⑦
Insurances	40,900	0	40,900	40,900	0
IT Services - Strategic & Enterprise Service Desk	(51,100)	25,000	297,760	328,416	30,656 ⑧
Personnel Services	44,300	(30,000)	14,520	(4,206)	(18,726) ⑨
Project Management Office	620,300	(82,000)	466,250	395,696	(70,554) ⑩
Rating & Recovery Services	59,900	0	341,440	350,159	0
Training	(39,800)	0	(48,970)	(50,440)	0
Grand Total	6,975,700	48,200	8,228,805	8,275,086	46,281

Notes

- ① £25,973 lower costs - salary savings due to maternity leave. The forecast has been amended to reflect the full year impact.
- ② £30,308 lower costs - lower external audit fees. The forecast has been amended to reflect the anticipated outturn position.
- ③ £13,917 higher costs - additional employment costs. The forecast has been amended to reflect the outturn position.
- ④ £21,477 higher costs - higher employment costs covering maternity & sickness leave. The forecast has been amended to reflect these.
- ⑤ The forecast has been amended to reflect a small overspend.
- ⑥ The forecast has been amended to reflect the full contract costs of the flexitime software.
- ⑦ £117,139 higher costs - additional employment costs covering maternity and sickness leave, including agency staff costs required to cover staff training & operational needs. The forecast has been amended to reflect these additional employment costs.
- ⑧ £30,656 higher costs - additional consultancy costs to cover operational requirements. The forecast has been amended to reflect these additional costs.
- ⑨ £18,726 lower costs - salary savings due to the vacant HR lead role. The forecast has been amended to reflect the anticipated outturn position.
- ⑩ £70,554 lower costs - savings in employment costs from transfer of staff to Unitary. The forecast has been amended to reflect these savings.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Portfolio	Leader

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Assistant Directors	(3,400)	77,700	(14,580)	106,851	121,431 ①
Business Strategy	128,700	49,100	113,640	153,301	39,661 ②
Chairman's Expenses	23,700	(5,500)	12,160	5,741	0 ③
Chief Executive's Support Services	30,200	(120,000)	13,250	(65,192)	(78,442) ④
Communications & Marketing	0	(38,800)	(30,200)	(50,516)	(20,316) ⑤
Democratic Services	1,087,900	(47,200)	802,100	765,699	(36,401) ⑥
Director - AS	(200)	0	90	(1,657)	0
Director - TA	(100)	(80,000)	(1,700)	(45,244)	(43,544) ⑦
Electoral Services	388,800	(19,600)	269,600	263,686	0 ⑧
Legal Services	(43,200)	64,300	30,850	46,134	15,284 ⑨
Vale Lottery	7,100	0	5,320	5,320	0
Grand Total	1,619,500	(120,000)	1,200,530	1,184,123	(16,407)

Notes

- ① £121,431 higher costs - additional employee and agency staff costs covering maternity leave and ongoing planning service operational requirements. The forecast has been amended to reflect these costs, which have been offset by savings arising from an unexpected vacancy.
- ② £39,661 lower income/lower costs - reduction in SEED team income streams offset by savings in salaries and running costs. The forecast has been amended to reflect the anticipated outturn position.
- ③ The forecast has been amended to reflect savings in vehicle expenses.
- ④ £78,442 lower costs - savings arising from the departure of the Chief Executive. The forecast has been amended to reflect these savings.
- ⑤ £20,316 lower costs - salary savings. The forecast has been amended to reflect the anticipated outturn position.
- ⑥ £36,401 lower costs - salary savings plus a number of smaller savings across a range of services.. The forecast has been amended to reflect the anticipated outturn position.
- ⑦ £43,544 lower costs - savings arising from the departure of the Director. The forecast has been amended to reflect these savings.
- ⑧ The forecast has been amended to reflect salary savings due to staff vacancies.
- ⑨ £15,284 higher costs - increased employee costs offset by increased income. The forecast has been amended to reflect the costs of an additional team member.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Portfolio	Planning & Enforcement

Service	Full Year	
	Current Budget	Expected Year End Variance
Forward Plans	3,000	0
Heritage	528,300	55,000
Planning Services	(740,900)	600,000
Grand Total	(209,600)	655,000

Year to Date		
Budget to Date	Actuals Plus Commitments to Date	Significant Variances
2,250	1,262	0
421,950	451,895	29,945 ①
(340,810)	216,699	557,509 ②
83,390	669,856	586,466

Notes

- ① £29,945 higher costs - agency staff costs covering current vacant post. The forecast has been amended to reflect these additional costs.
- ② £557,509 higher costs/lower income - agency staff costs to reduce the backlog of Planning & Building Control applications, which is also impacting on income streams. The forecast has been amended to reflect the anticipated outturn position.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Portfolio	Strategic Planning & Infrastructure

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Forward Plans	695,700	0	523,190	505,632	(17,558) ①
Planning Services	258,600	0	269,560	285,303	15,743 ②
Strategy & Partnerships	229,400	(35,000)	204,140	163,393	(40,747) ③
Grand Total	1,183,700	(35,000)	996,890	954,329	(42,561)

Notes

- ① £17,558 lower costs - running expense savings across a number of service areas.
- ② £15,743 higher costs - additional employee costs to cover operational requirements.
- ③ £40,747 lower costs - savings in employment costs from the the secondment of staff to Unitary. The forecast has been amended to reflect the anticipated outturn position.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Portfolio	Waste & Licencing

Service	Full Year	
	Current Budget	Expected Year End Variance
Environmental Services	267,700	0
Health & Safety	7,800	(15,000)
Licensing	(43,400)	0
Waste & Recycling - Commercial	646,600	630,000
Waste & Recycling - Non Commercial	4,975,700	370,000
Grand Total	5,854,400	985,000

Year to Date		
Budget to Date	Actuals Plus Commitments to Date	Significant Variances
222,526	221,826	0
12,310	14,276	0
(50,470)	(65,189)	(14,719)
514,065	1,023,584	509,519
3,929,950	4,245,913	315,963
4,628,381	5,440,410	812,029

Notes

- ① The forecast has been amended to reflect savings arising from a staff vacancy.
- ② £14,719 lower costs - running expense savings across a number of service areas.

£509,519 lower income - increased trade waste disposal fees with Bucks CC - this contract is currently under review. A Garden Waste income collection Policy change has resulted in a reduction of income held in-year - this change will only impact on this years budgets. The forecast has been amended to reflect the anticipated outturn position.

- ③ £315,963 higher costs - increased domestic waste disposal fees - the contract is reviewed by the supplier every three months (materials & employment costs) & this has resulted in increased contract costs. This contract with Casepak is currently under review. The forecast has been amended to reflect these changes & a budget pressure has been requested in the MTFP for future years.

Budget profiling

Fund	General
Special	Yes

Service	CC Description	Full Year		Year to Date		
		Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Community Centres	Administration	74,100	0	59,430	58,975	0
	Alfred Rose	64,400	(8,300)	42,025	32,446	0
	Bedgrove	68,500	(9,100)	39,170	29,969	0
	Haydon Hill	18,500	0	11,900	13,098	0
	Prebendal Farm	53,400	(1,400)	35,960	33,008	0
	Quarrendon and Meadowcroft	69,000	(10,500)	41,720	34,095	0
	Southcourt	44,600	(2,000)	29,090	26,368	0
Community Centres Total		392,500	(31,300)	259,295	227,959	(31,336) ①
Parks, Pitches & Open Space	Alfred Rose Park	56,300	(4,400)	40,850	37,599	0
	Bedgrove Park	75,200	(9,400)	60,250	53,351	0
	Edinburgh Playing Fields	57,600	700	37,300	37,775	0
	Fairford Leys	88,100	(4,800)	57,430	53,361	0
	Meadowcroft Playing Fields	81,300	(18,000)	57,220	38,903	(18,317)
	Parks Administration	244,000	32,500	120,040	142,829	22,789
	Vale Park	12,700	12,000	9,450	16,609	0
	Walton Court Sports Ground	39,100	(11,500)	26,900	15,198	(11,702)
Parks, Pitches & Open Space Total		654,300	(2,900)	409,440	395,624	(13,816) ②
Market	Market	0	(3,100)	6,290	3,820	0
Market Total		0	(3,100)	6,290	3,820	0 ③
Asset Rental Adjustment		-91,800	0	0	0	0
Grand Total		955,000	-37,300	675,025	627,403	-45,152 ④

Notes

① £31,336 lower costs/higher income - savings in utilities and horticulture contract costs, plus higher than expected income. The forecast has been amended to reflect these.

② £13,816 lower costs/lower income - savings in utilities and horticulture contract costs, offset by lower pitch hire income. The forecast has been amended to reflect the anticipated outturn..

③ The forecast has been amended to reflect marginal savings from transitional relief in business rates.

④ The original budgeted spend for special expenses was £902,300. £849,300 of this spend was reimbursed by way of precept income, the balance being a call upon the use of special expenses balances. During the year the current budget has been increased to cover the cost of maintenance works at various properties, which has been agreed to be met from AVDC balances.

GENERAL FUND REVENUE RESERVES AND PROVISIONS

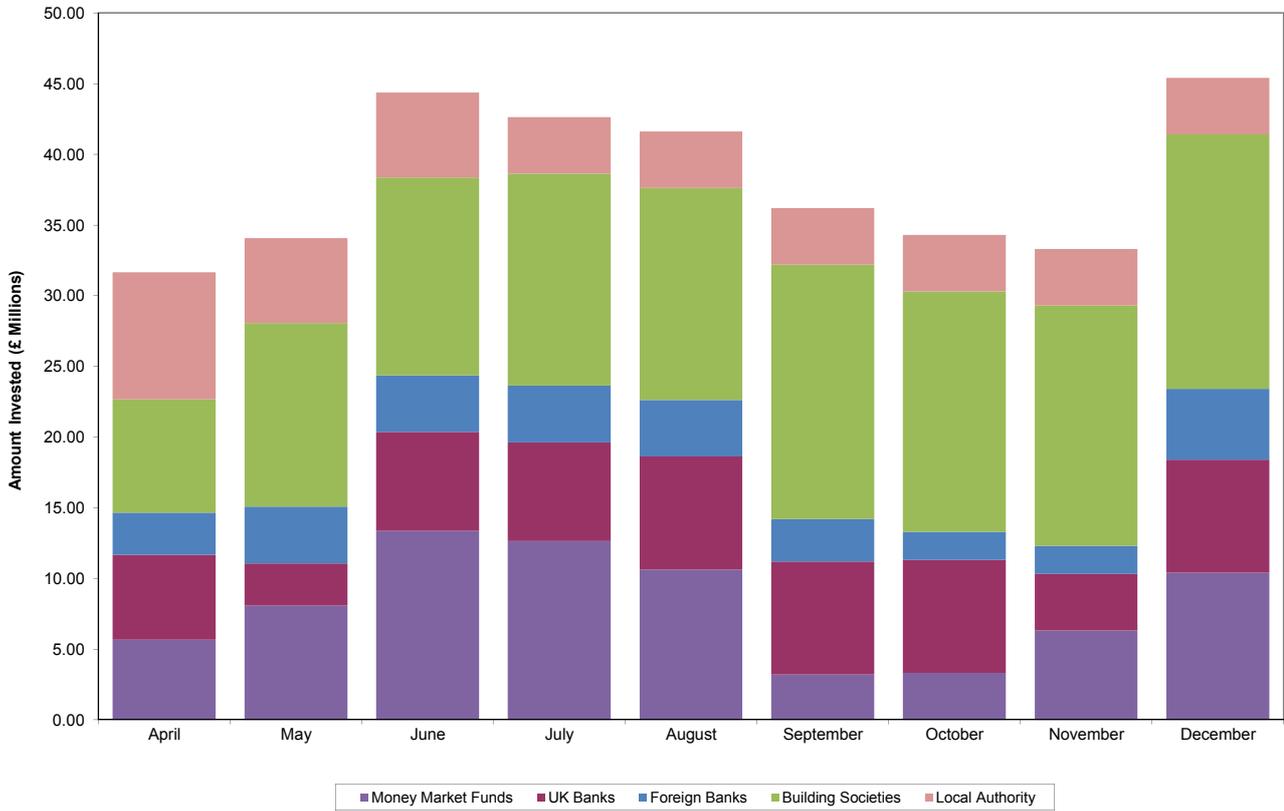
The table shows the current level of provisions and reserves held by the Council at the beginning of the year, the p movements in the year and the expected closing balance at 31st March 2020.

GENERAL FUND REVENUE RESERVES AND PROVISIONS	OPENING BALANCE 01/04/2019	TRANSFERS OUT	TRANSFERS IN	EXPECTED CLOSING BALANCE 31/03/20
	£'000	£'000	£'000	£'000
PROVISIONS				
NNDR Appeals	(2,041)	0	0	(2,041)
Refundable Bonds	(287)	0	0	(287)
Expected Credit Losses	(8)	0	0	(8)
BAD DEBT PROVISIONS				
Housing Benefits Overpayments	(2,097)	0	0	(2,097)
Local Taxation	(561)	0	0	(561)
Other	(292)	0	0	(292)
Off Street Parking	(80)	0	0	(80)
Haywoods Way	(41)	0	0	(41)
TOTAL PROVISIONS	(5,407)	0	0	(5,407)
RESERVES				
Unitary - Buckinghamshire Council	-4,000	4,000	0	0
Unitary - AVDC	-974	974	0	0
New homes bonus - town centre regeneration	-4,500	0	0	(4,500)
Amenity areas	-2,874	0	0	(2,874)
New homes bonus - parishes	-2,855	3,713	(858)	0
Business rates	-1,893	0	(748)	(2,641)
Property Sinking	-1,766	70	0	(1,696)
New homes bonus - connected knowledge	-1,751	1,000	0	(751)
New homes bonus - uncommitted	-1,548	750	(3,694)	(4,492)
New homes bonus - high speed broadband	-1,536	200	(400)	(1,736)
Repairs & renewals	-1,122	150	0	(972)
Fairford Leys riverine	-894	894	0	0
Planning fees	-608	608	0	0
New homes bonus - depot refurbishment	-597	300	0	(297)
Property strategy	-540	0	0	(540)
Health licensing income	-498	50	0	(448)
Self insurance	-448	0	0	(448)
Aylesbury special expenses	-425	51	0	(374)
New homes bonus - east/west rail link	-350	0	0	(350)
Car parking	-223	223	0	0
District elections	-200	0	(48)	(248)
Recycling & composting	-172	172	0	0
Leisure activities	-156	0	0	(156)
Historic buildings	-135	0	0	(135)
Housing needs & section 106	-107	0	0	(107)
Business support fund	-102	0	0	(102)
Information technology	-78	375	(297)	0
Rent guarantee scheme	-71	0	0	(71)
Market research	-47	0	0	(47)
Playgrounds	-40	0	0	(40)
Benefit subsidy	-35	0	0	(35)
Future vehicle costs	-34	0	0	(34)
Business transformation	-29	0	0	(29)
TOTAL RESERVES	(30,608)	13,530	(6,045)	(23,123)

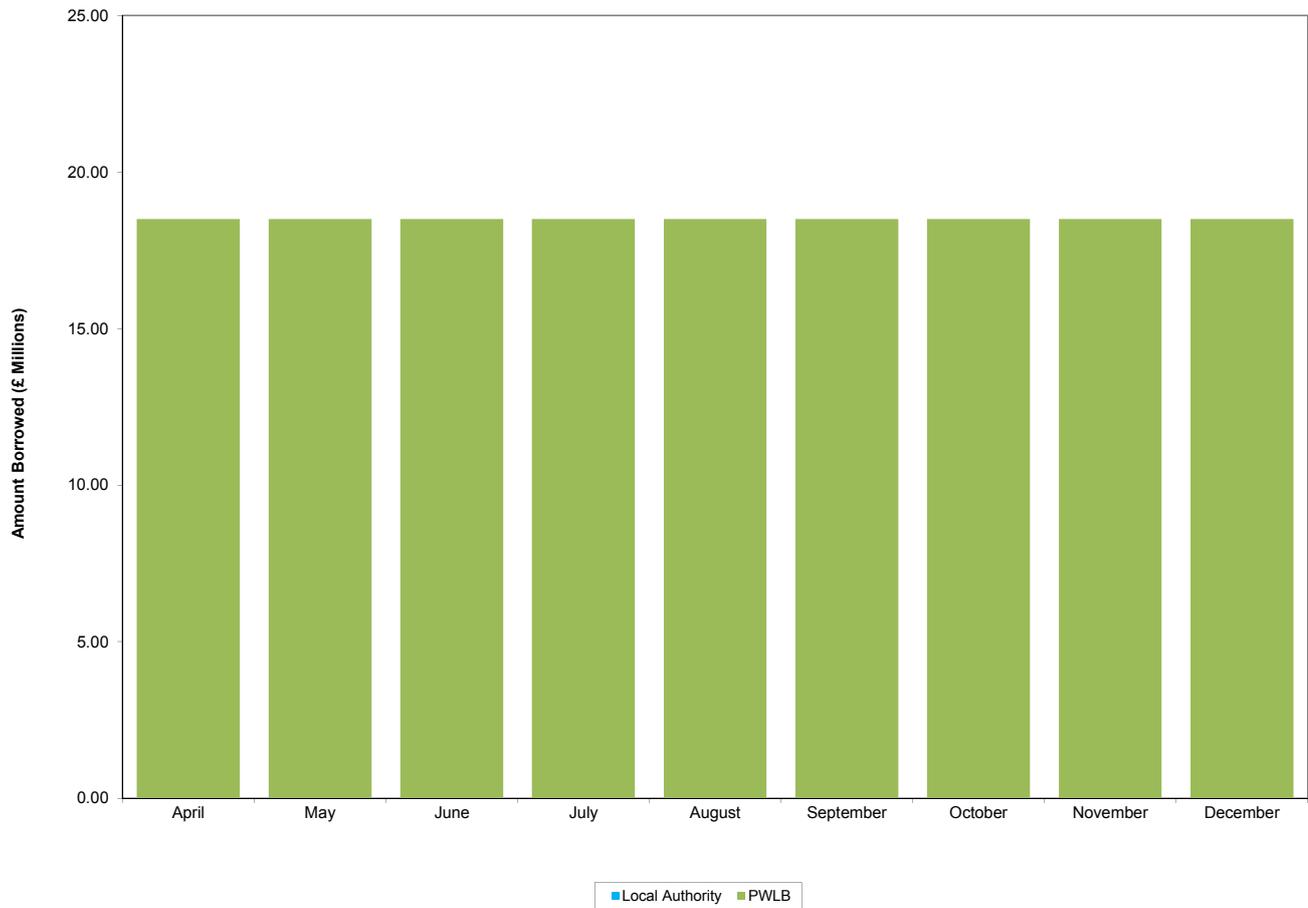
CAPITAL PROGRAMME SPEND TO 31ST DECEMBER 2019

	REF	APPROVED SPEND £s	PRIOR YEARS' SPEND £s	EXPECTED SPEND 19/20 £s	ACTUAL SPEND AT 31/12/19 £s
University Campus, Aylesbury Vale	8001	16,550,000	16,312,727	237,273	0
Public Realm Waterside North	8004	11,900,000	8,985,553	2,914,447	1,010,996
Refuse Vehicles Replacement	8005	600,000	0	600,000	186,276
Depot Purchase / Refurbishment	8006	11,305,000	6,738,574	4,566,426	2,528,344
Car Park Improvement	8007	800,000	40,129	759,871	21,866
Community Centre Upgrades	8008	405,000	64,352	340,648	65,221

Investments 2019/20



Borrowings 2019/20



MEMBER FEEDBACK / QUESTION SHEET

ISSUE 3 - 19/20

FEEDBACK

If any members have any questions regarding the digest then please ring one of the Finance team on the numbers below or alternatively use the tear off page to record you comments or questions.

<u>Accountancy</u>	<u>Team</u>	<u>Phone No.</u>
Andrew Small	Director	585507
Simon Wastenev	Corporate Finance Manager	585065
Sharon Russell-Surtees	Corporate Accountant	585391
Gareth Davies	Finance Business Partner	585276
Alasdair Rudge	Finance Business Partner	585406

FEEDBACK

QUESTION

QUESTION

Feedback Sheet Returned by:

COUNCILLOR

DATE

Please return Feedback / Question sheet to:

Strategic Finance
Aylesbury Vale District Council
The Gateway, Gatehouse Road
Aylesbury
Bucks HP19 8FF

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