
Report To:	Policy & Resources Committee	Date:	19 November 2024
Report By:	Chief Financial Officer and Corporate Director Education, Communities & Organisational Development and Chief Executive	Report No:	FIN/73/24/AP/AB
Contact Officer:	Alan Puckrin	Contact No:	01475 712090
Subject:	2024/25 Policy & Resources and General Fund Revenue Budget		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 The purpose of this report is to advise the Committee of the Policy & Resources Revenue Budget 2024/25 projected position. The report also highlights a projected overspend in the overall General Fund Revenue Budget and the impact this will have on the General Fund Reserve.

1.3 The revised 2024/25 Revenue Budget for the Policy and Resources Committee is £24,156,000, which excludes Earmarked Reserves. The latest projection is an overspend of £304,000 (1.26%), mainly due to a £250,000 shortfall within the Pay Inflation Contingency. Overall, this is a reduction in overspend of £96,000 since last reported. More details are provided in section 3.3 and the appendices.

1.4 The latest projection for the General Fund Budget is an overspend of £1,012,000, total reduction in costs of £229,000 since last reported. Based on these figures the Council's unallocated Reserves are currently projected to be £0.598million less than the minimum recommended level of £4.0million.

1.5 This report also includes updates in respect of earmarked reserves spend and the Councils Common Good Revenue budget.

2.0 RECOMMENDATIONS

It is recommended that the Committee:

2.1 Note the current projected overspend in the Committee's Revenue Budget for 2024/25 of £304,000, a reduction of £96,000 since the last report.

2.2 Note the projected overspend of £1,012,000 for the General Fund and the projected reserve balance of £3.402 million.

2.3 Note the projected 2024/25 surplus of £10,800 for the Common Good Budget set out in Appendix 5.

2.4 Note that the Savings Workstream programme update is provided as part of the Budget Update report later in the agenda.

Alan Puckrin
Chief Financial Officer

Ruth Binks
Corporate Director
Education, Communities & ODHR

Louise Long
Chief Executive

3.0 BACKGROUND AND CONTEXT

- 3.1 The purpose of this report is to advise Committee of the current position of the 2024/25 Revenue Budget and to highlight the main variances contributing to the projected overspend of £304,000 for 2024/25.
- 3.2 The revised 2024/25 Revenue Budget for the Policy & Resources Committee is £24,156,000 excluding Earmarked Reserves. This is a decrease of £1,042,000 from the approved budget largely due to allocations from the pay inflation contingency. Appendix 1 gives more details of this budget movement.
- 3.3 2024/25 Projected Outturn - £304,000 overspend 1.26 %

The main projected variances contributing to the net overspend are listed below –

- (a) Overall committee Employee Costs are projected to underspend by £48,000 due to an over achievement of turnover savings to date. This is an increase in turnover of £93,000 since the last report.
- (b) The Revenues & Benefits section are reporting a £21,000 overspend within postages, this is due to a £12,000 one-off charge for re-billing of the 2024/25 Council Tax notices and additional postages charges relating to an increase in the volume of reminder notices. The total one-off charge for the re-billing of the 2024/25 Council Tax notices was £17,000 (£12,000 postages and £5,000 printing). No change from last committee.
- (c) Statutory Additions Income is projected to be £41,000 under-recovered in line with last year.
- (d) Over-recovery of £37,000 projected within Council Tax Prior Years based on collection rates and previous years outturn.
- (e) Projecting an overall overspend of £50,000 within ICT computer software, officers are currently examining whether this pressure is time-limited or recurring.
- (f) Projected over-recovery of £32,000 within Income for ICT service recharges for internal maintenance recharges for computer equipment purchased outside of the refresh programme.
- (g) External Licences are currently projecting at an under recovery of £32,000 for liquor and taxi operators. These projections are in line with previous outturns.
- (h) £250,000 overspend within the pay inflation contingency based on the final offer for the 2024/25 pay award. This is outwith an additional £77 million funding from the Scottish Government.
- (i) Non-pay inflation is projected to be on budget in 2024/25 and officers will continue to review assumptions/projections in detail and an update Committee as appropriate.

3.4 General Fund Budget & Reserves Position

Appendix 6 shows that the General Fund is projecting a £1,012,000 overspend (excluding Health & Social Care) which represents 0.40% of the net Revenue Budget. All committees are reporting an overspend; Policy & Resources Committee £304,000, Environment & Regeneration of £218,000 and the Education & Communities £416,000.

- 3.5 Following a review of the Savings Workstreams projections the by the CMT as part of the Budget Update report later in the agenda, a £74,000 shortfall against the 2024/25 target is being projected. This is reflected in appendix 6.

3.6 Reserves

Appendix 4 gives an update on the Committee's operational Earmarked Reserves, i.e. excluding strategic funding models. Spend to 30 September 2024 on these operational Earmarked Reserves is £227,000 (3.18% of projected spend), the majority of the earmarked reserve budgets within the Policy & Resources reserves occur at the end of the year. Appendix 7 gives the overall earmarked reserve position which shows £64,000 (3.46%) slippage against phased budget.

Appendix 8 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at 31 March, 2025 is £3.402 million which is £0.598 million below the minimum recommended balance of £4.0 million. A review of reserves has been undertaken by the CMT and the results will be considered by the Council at the December meeting as part of a 2025/26 budget update.

3.7 Common Good Fund

The Common Good Budget is projecting a surplus of £10,800 in 2024/25 as shown in Appendix 5 which results in projected surplus fund balance at 31 March 2025 of £128,837.

3.8 Virements - None.

4.0 PROPOSALS

4.1 The Committee's own revenue budget is showing a £304,000 overspend with the 3 service budgets showing a £38,000 (0.3%) overspend, this is an improvement of £96,000 since the last report. Officers will continue to examine ways to bring their services back in on budget.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO
Financial		X
Legal/Risk	X	
Human Resources		X
Strategic (Partnership Plan/Council Plan)		X
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

5.3 **Legal/Risk**

The Financial Regulations state the responsibility for ensuring Revenue Budgets are not exceeded lies with the Committee and budget holding Chief Officers.

5.4 **Human Resources**

There are no specific human resources implications arising from this report.

5.5 **Strategic**

There are no specific strategic implications arising from this report.

6.0 **CONSULTATION**

6.1 The paper has been jointly prepared by the Chief Financial Officer and the Corporate Director Education, Communities, and Organisational Development and the Chief Executive.

7.0 **BACKGROUND PAPERS**

7.1 There are no background papers for this report.

Policy & Resources Budget Movement - 2024/25

Service	Approved Budget 2024/25 £000	Inflation £000	Movements		Transferred to EMR £000	Revised Budget 2024/25 £000
			Virement £000	Supplementary Budgets £000		
Finance	5,634	33	7			5,674
Legal, Democratic Digital & Customer Services	5,279		107			5,386
Organisational Development, Policy & Communications	2,301		(47)			2,254
Chief Exec	336					336
Miscellaneous	11,648	(1,333)	191			10,506
Totals	25,198	(1,300)	258	0	0	24,156

Supplementary Budget Detail

	£000
<u>Inflation</u>	
Miscellaneous - Pay Inflation	(1,180)
Miscellaneous - Non Pay Inflation	(153)
Accountancy - Comp Soft Maint (CIVICA PAY)	6
Revs & Bens - DHP	19
R&B - Postages (Critiqom)	8
	<u>(1,300)</u>
<u>Virements</u>	
Legal - Information Governance Monies from Social Work	131
Legal - Members Superann reduction returned to Contingency Fund	(57)
Reg - Monies to Finance Creditors Post	(7)
ICT - NWOW Monies from Property Services	40
HR - Employee budget reduction from budget upload error returned to Contingency Fund	(47)
Miscellaneous - HR employee budget returned to Contingency Fund	47
Miscellaneous - Election Superann returned to Contingency Fund	57
Fin- Monies to Finance for Creditors Post	7
Child Redress Scheme- insuramnce fund contribution	
R&B - Budget transfer from Council Tax Prior Years to R&B Employee Costs	0
R&B - Budget transfer from R&B Miscellaneous to R&B Employee Costs	0
	<u>171</u>
Total Inflation & Virements	<u>(1,129)</u>

REVENUE BUDGET MONITORING REPORTSUBJECTIVE ANALYSIS

2023/24 Actual £000	SUBJECTIVE ANALYSIS	Approved Budget 2024/25 £000	Revised Budget 2024/25 £000	Projected Out-turn 2024/25 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
10,153	Employee Costs	8,639	8,735	8,687	(48)	(0.5%)
739	Property Costs	744	744	744	0	-
895	Supplies & Services	915	969	1,052	83	8.6%
2	Transport & Plant	5	5	5	0	-
1,279	Administration Costs	1,331	1,339	1,240	(99)	(7.4%)
28,636	Payments to Other Bodies	38,954	42,550	42,818	268	0.6%
(28,404)	Income	(25,390)	(30,186)	(30,086)	100	(0.3%)
13,300	TOTAL NET EXPENDITURE	25,198	24,156	24,460	304	1.3%
	Earmarked reserves			0	0	
13,300	Total Net Expenditure excluding Earmarked Reserves	25,198	24,156	24,460	304	

POLICY & RESOURCES COMMITTEEREVENUE BUDGET MONITORING REPORTOBJECTIVE ANALYSIS

2023/24 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2024/25 £000	Revised Budget 2024/25 £000	Projected Out-turn 2024/25 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
5,793	Finance	5,634	5,674	5,692	18	0.3%
5,571	Legal, Democratic Digital & Customer Services	5,279	5,386	5,387	1	0.0%
2,431	Organisational Development, Policy & Communications	2,301	2,254	2,273	19	0.8%
2,431	Total Net Expenditure Education, Communities & Organisational Development	13,214	13,314	13,352	38	0.3%
380	Chief Executive	336	336	352	16	4.8%
(875)	Miscellaneous	11,648	10,506	10,756	250	2.4%
1,936	TOTAL NET EXPENDITURE	25,198	24,156	24,460	304	0
	Earmarked reserves		0	0		
1,936	Total Net Expenditure excluding Earmarked Reserves	25,198	24,156	24,460	304	

POLICY RESOURCES

REVENUE BUDGET MONITORING REPORT

MATERIAL VARIANCES (EXCLUDING EARMARKED RESERVES)

Appendix 3

POLICY & RESOURCES COMMITTEE

REVENUE BUDGET MONITORING REPORT

MATERIAL VARIANCES

Outturn 2023/24 £000	Budget Heading	Budget 2024/25 £000	Proportion of Budget £000	Actual to 2024/25 £000	Projection 2024/25 £000	Over/(Under) Budget £000	Percentage Variance %
	<u>Finance Services</u>						
1,630	Accountancy - Employee Cost	1,482	690	654	1,503	21	1.4%
1,406	R&B - Employee Cost	1,227	578	558	1,243	16	1.3%
61	R&B - Postages	56	26	37	77	21	37.5%
(239)	R&B - Statutory Additions	(294)	(91)	(91)	(253)	41	(13.9%)
	R&B Ctax Prior Years	(330)			(367)	(37)	11.2%
	<u>Organisational Development, Policy & Communications</u>						
	<u>Legal, Democratic Digital & Customer Services</u>						
4739	Employee Costs	3,838	1,797	1,972	3,743	(95)	(2.5%)
587	ICT - Supplies - Software Maintenance	661	630	570	711	50	7.6%
(299)	ICT - Admin Costs - Telephone Recharges - offset in Income	333	167	177	301	(32)	(9.6%)
(60)	ICT - Income Costs - Telephone Recharges - offset in Admin	(333)	(167)	(174)	(301)	32	(9.6%)
(49)	ICT - Income - Recharges (5 Year Computer Refresh)	(30)	(15)	(174)	(62)	(32)	106.7%
(310)	Legal - Income Licenses	(327)	(164)	(153)	(295)	32	(9.8%)
	<u>Miscellaneous Services</u>						
	Pay Inflation Contingency	8,038	0	0	8,288	250	3.1%
7,466	TOTAL MATERIAL VARIANCES	14,321	3,452	3,376	14,588	267	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

C a t e g o r y	Project	Lead Officer/ Responsible Manager	Total Funding	Phased Budget 2024/25	2024/25 Spend	Projected Spend	Amount to be Earmarked for 2025/26 & Beyond	Lead Officer Update
			2024/25	2024/25	2024/25	2024/25		
			£000	£000	£000	£000	£000	
B	Early Retirement/Voluntary Severance Reserve	Alan Puckrin	3,127	0	0	400	2,727	Projection for 24/25 is an initial estimate and linked to workstream savings and need for savings to offset emerging pressures
C	Equal Pay	Morna Rae	100	0	0	0	100	Balance for equal pay legal fees which is under review on an annual basis
C	Digital Strategy	Louise Long	1,149	123	133	344	805	2024/25 Committed project costs to date; purchases of Schools Cashless Catering System replacement £39K and CRM Replacement systems indicative timeline £16K, Revenue and Benefits Victoria Forms system (est cost £37K), Project Officer Post £39k (29/05/24 for 2 years), ICHRIS upgrade (£105k) with temp Service Improvement Lead from 01/07/24, CLD Digital Outcome Solution £19k, Civica Pay Upgrade £66k & Engage subscription (1 year) £22k.
C	Welfare Reform - Operational	Alan Puckrin	52	0	0	10	42	Employee Costs £10k in 24/25, £42k uncommitted.
C	Anti-Poverty Fund	Ruth Binks	2,248	45	45	368	1,880	Proposals to utilise £480k of the unallocated balance of £774k agreed at P&R 17 September 2024. Also proposal to terminate the IRISE project early with the balance of funding remaining within the Anti Poverty EMR. The projected spend, and phasing has been adjusted on this basis. The balance currently unallocated is £870k.
B	Loan Charge Funding Model	Alan Puckrin	3,821	0	0	687	3,134	Based on June Finance Strategy including a further £3.0million over 2024/27 to the EMR to deliver a recurring saving from 2025/26.
B	2023/26 Budget Funding Reserve	Alan Puckrin	9,000	0	0	2,628	6,372	Per approved 2024/26 Budget
C	ICT Technicians To Support Digital School Inclusion/Covid Recovery	Lynsey Brown	14	14	13	13	0	Ongoing Monthly Employee Costs. 1 x Service Desk Operator (until 01/09/24). COMPLETE
C	New Ways of Working	Stuart Jamieson	258	0	0	188	70	Work on-going on James Watt building for transfer of HSCP staff from HMH.

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

C a t e g o r y	Project	Lead Officer/ Responsible Manager	Total Funding	Phased Budget 2024/25	2024/25 Spend	Projected Spend	Amount to be Earmarked for 2025/26 & Beyond	Lead Officer Update
			2024/25	2024/25	2024/25	2024/25		
			£000	£000	£000	£000		
C	Project Resource	Louise Long	83	0	0	63	20	Budget set aside to aide the process of difficult to fill posts and certain council memberships/reviews. Projects approved to date; Co-operative Councils membership £5k, Solace assistance to fill CFO post (£20k est) & (£25k est) for Solace Leadership Management programme. Unallocated balance as at P6 of £33k.
C	Covid Recovery - Marketing Post & Support for Discover Inverclyde	Morna Rae	44	8	8	44	0	Further development of the 'discover Inverclyde' website and social media as the single trusted source of events and activity for residents and visitors to Inverclyde, local marketing campaigns to support priorities above and local partners and venues, develop trusted and timely marketing data. £8k funds spent in 24/25 for associated prints. Development of facilities and resources to share Inverclyde's Historic Links to Slavery through the Watt Institute.
C	Scottish Welfare Fund	Alan Puckrin	129	0	0	0	129	To Pay for the balance of Scottish Welfare Fund Crisis Grants expenditure as funded by Scottish Government. To be carried forward to 25/26
C	Smoothing Reserve (Service Consession)	Alan Puckrin	490	0	0	201	289	Phasing over 2023/28, per Feb 2023 report.
C	Student Training Fees	Morna Rae	80	0	0	28	52	The funding is to support professional qualifications and the consequent retention and development of employees. Spend for 24/25 includes £12k for Finance, £2k Building Standards and £14k to be approved at CMT. Remainder £52k uncommitted.
C	IRI Smoothing Reserve	Alan Puckrin	646	0	0	356	290	Linked to June Finance Strategy. £7m saving approved 2023/27.
C	Empty Property Relief	Alan Puckrin	80	0	6	6	75	£94k for E&R Business Support transferred to E&R , £5.5k cost EPR software for upcoming EPR changes. Remainder £75k balance to be carried forward to cover any retrospective applications for Empty Property Relief.
C	Elections 2024/27	Lynsey Brown	300	40	0	50	250	Budget approved at 2024/25 budget process for local election costs.
C	Allocation to sinking fund related for Asset Review	Alan Puckrin	3,750	0	0	0	3,750	Awaiting completion of Asset Plans and detail of Asset Workstream
C	Allocation towards Historic Child Abuse settlements	Alan Puckrin	500	0	0	500	0	Add to the Insurance Fund during 24/25. HSCP contribution of £500k due 2025/26.
Total Category B			18,619	21	22	4,961	13,658	
Total Category C to E			9,923	230	205	2,171	7,751	

COMMON GOOD FUND**REVENUE BUDGET MONITORING REPORT 2024/25**

	Final Outturn 2023/24	Approved Budget 2024/25	Budget to Date 2024/25	Actual to Date 2024/25	Projected Outturn 2024/25
	£	£	£	£	£
<u>PROPERTY COSTS</u>	47,219	65,200	32,700	14,760	58,700
Repairs & Maintenance	19,144	17,500	8,800	10,730	17,500
Rates	23,171	23,200	11,600	0	23,200
Property Insurance	4,034	8,000	4,000	4,030	8,000
Property Costs	870	16,500	8,300	0	10,000
<u>ADMINISTRATION COSTS</u>	6,200	7,700	800	0	7,700
Sundries	0	1,500	800	0	1,500
Commercial Rent Management Recharge	2,200	2,200	0	0	2,200
Recharge for Accountancy	4,000	4,000	0	0	4,000
<u>OTHER EXPENDITURE</u>	114,192	109,500	46,400	44,400	109,500
Christmas Lights Switch On	10,500	10,500	0	0	10,500
Christmas Decorations	38,885	44,000	1,440	1,440	44,000
Gourock Highland Games	29,400	29,400	29,400	29,400	29,400
Armistice Service	9,527	8,300	260	260	8,300
Comet Festival	13,300	13,300	13,300	13,300	13,300
Events	4,000	4,000	2,000	0	4,000
Bad Debt Provision	8,580	0	0	0	0
<u>INCOME</u>	(202,080)	(183,700)	(90,100)	98,840	(186,700)
Property Rental	(228,200)	(234,200)	(117,100)	(117,100)	(234,200)
Void Rents	33,164	54,000	27,000	215,940	54,000
Internal Resources Interest	(7,044)	(3,500)	0	0	(6,500)
<u>NET ANNUAL EXPENDITURE</u>	(34,469)	(1,300)	(10,200)	158,000	(10,800)
<u>EARMARKED FUNDS</u>	0	0	0	0	0
<u>TOTAL NET EXPENDITURE</u>	(34,469)	(1,300)	(10,200)	158,000	(10,800)

Fund Balance as at 31st March 2024	£ 158,037
Projected Outturn 2024/25	10,800
Expenditure on Port Glasgow Burgh 250th Anniversary approved by Policy and Resources Committee on 13th August 2024	(40,000)
Projected Fund Balance as at 31st March 2025	<u>128,837</u>

Notes:**1 Rates (Empty Properties)**

Rates are currently being paid on empty properties, projection reflects current Rates levels however all historic Rates costs are being examined to ensure all appropriate empty property relief has been obtained. Any subsequent credit will be included in future reports.

2 Current Empty Properties are:

12 Bay St	Vacant since: April 2015, currently being marketed
10 John Wood Street	August 2018
17 John Wood Street	June 2023

Policy & Resources Committee

Revenue Budget Monitoring Report 2024/25

Committee	Approved Budget 2024/2025	Revised Budget 2024/2025	Projected Out-turn 2024/2025	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	25,198	24,156	24,460	304	1.26%
Environment & Regeneration	21,394	21,456	21,674	218	1.02%
Education & Communities	116,384	117,960	118,376	416	0.35%
Health & Social Care	73,714	73,867	74,113	246	0.33%
Committee Sub-Total	236,690	237,439	238,623	1,184	0.50%
Loan Charges	16,590	16,590	16,590	0	0.00%
Saving Approved yet to be Allocated (Note 1)	(100)	(100)	(100)	0	0.00%
Workstream Savings Approved (Note 2)	(364)	(419)	(345)	74	0.00%
Service Concession Flexibility	(1,650)	(1,650)	(1,650)	0	0.00%
Contribution from Other Funds (Note 3)	0	(87)	(87)	0	0.00%
Earmarked Reserves	0	300	300	0	0.00%
Total Expenditure	251,166	252,073	253,331	1,258	0.50%
Financed By:					
General Revenue Grant/Non Domestic Rates	(208,102)	(209,009)	(209,009)	0	0.00%
General Revenue Grant - Teachers Hold Back (Note 4)	(2,119)	(2,119)	(2,119)	0	0.00%
Contribution from General Reserves	(2,628)	(2,628)	(2,628)	0	100.00%
Council Tax	(38,317)	(38,317)	(38,317)	0	0.00%
Integration Joint Board - Contribution to Reserves	0	0	(246)	(246)	100.00%
Net Expenditure	0	0	1,012	1,012	

Note 1 - Approved savings yet to be allocated

Note 2 - Workstream Savings Approved yet to be vired

Note 3 - Contribution from Insurance Fund for redress scheme

Note 4 - General Revenue Grant - Teachers Hold Back funding to be received after criteria met

Earmarked Reserves Position Statement

Appendix 7

Summary

<u>Committee</u>	<u>Total Funding 2024/25</u>	<u>Phased Budget</u>	<u>Spend 2024/25</u>	<u>Variance Actual to Phased Budget</u>	<u>Projected Spend 2024/25</u>	<u>Earmarked 2025/26 & Beyond</u>	<u>2024/25 %age Spend Against Projected</u>	<u>2024/25 %age Over/(Under) Spend Against Phased Budget</u>
	£000	£000	£000	£000	£000	£000		
Education & Communities	310	74	72	(2)	175	135	41.14%	(2.70%)
Health & Social Care	6,025	914	721	(193)	2,010	4,015	35.87%	(21.12%)
Regeneration & Environment	6,827	627	783	156	2,810	4,017	27.86%	24.88%
Policy & Resources	28,542	251	227	(25)	7,132	21,410	3.18%	(9.76%)
	41,704	1,866	1,803	(64)	12,127	29,577	14.86%	(3.40%)

Actual Spend v Phased Budget Behind Phasing = (£64k) (3.40%)

Last Update (Period P4) Behind of Phasing = (£590k)

Reduction in slippage £526k

Appendix 8

GENERAL FUND RESERVE POSITION
2024/25

	<u>£000</u>	<u>£000</u>
Usable Balance 31/3/24		4414
<u>Available Funding:</u>		
Actuarial Pension Review (2024/26)	9000	
Additional IRI 2023/27	3500	
Reduced Use of Reserves Budget 2024/26	384	
IRI shortfall 2023/26 (£3.5m less £3.144m Actual 2023/24)	356	
Earmarked Reserve required for 2024/25	<u>160</u>	
		13400
Projected Surplus/(Deficit) 2024/25	<u>(1012)</u>	
		(1012)
<u>Use of Balances Approved February 2024:</u>		
Additional IRI to Loans Charges	(3000)	
Increased support to the Revenue Budget over 2024/28	(6000)	
Increased support to the 2024/28 Capital Programme	<u>(4400)</u>	
		(13400)
Projected Reserve Balance		<u><u>3402</u></u>

Minimum Reserve recommended is £4 million