

Finance and Resources Committee

10.00am, Tuesday, 5 September 2017

Revenue and capital budget framework 2018/23 – progress update

Item number 7.8

Report number

Executive/routine

Wards

Executive summary

On 9 February 2017, the Council approved a balanced revenue budget for 2017/18 and an indicative balanced budget for 2018/19 as part of a longer-term framework, subject to delivery of approved budget savings, together with active management of service-specific and corporate risks, pressures and 2018/19 grant funding assumptions.

While the approved budget framework set an indicative balanced budget for 2018/19, incremental residual savings requirements of at least £15.4m and £10.9m were highlighted in 2019/20 and 2020/21 respectively. *In so doing, however, the potential for these funding gaps to increase significantly once updated assessments of available funding, infrastructure and other commitments were incorporated was noted, emphasising a need for further service transformation, prioritisation and a continuing shift towards preventative expenditure to secure financial sustainability.*

Since approval of the 2017/18 budget, officers have continued to review the full range of expenditure and income factors impacting upon the Council's activities, taking account as appropriate of UK and Scottish Government policy announcements, economic forecasts and wider population trends. This report apprises members of the outcome of the review of these framework assumptions which point to a significant savings requirement in each of the next five financial years.

Revenue and capital budget framework 2018/23 – progress update

1. Recommendation

- 1.1 Members of the Finance and Resources Committee are asked to note:
- 1.1.1 the updates to a number of underlying assumptions contained within the budget framework;
 - 1.1.2 the significant resulting increase in the projected funding gap in all years, including a need to identify additional savings for delivery in 2018/19; and
 - 1.1.3 that a further update will be provided to the Committee as part of the mid-year review report to be considered on 28 September.

2. Background

- 2.1 On 9 February 2017, the Council approved a balanced revenue budget for 2017/18 and an indicative balanced budget for 2018/19 as part of a longer-term framework, subject to delivery of approved budget savings, together with active management of service-specific and corporate risks, pressures and 2018/19 grant funding assumptions.
- 2.2 The current year's revenue budget is underpinned by the delivery of £39.5m of savings. While most of this total represents the full-year effect of Transformation Programme-related or other previously-approved measures, a significant element, particularly within Health and Social Care, is dependent upon effective demand management and further service redesign. As in previous years, progress in delivery, alongside wider management of risks and pressures, is therefore being closely monitored by the Corporate Leadership Team and the first in-year monitoring report is included elsewhere on today's agenda. *This report assumes a balanced budget is achieved in 2017/18, with any on-going shortfall adding to the funding gap set out within this report.*
- 2.3 While the approved budget framework set an indicative balanced budget for 2018/19, incremental residual savings requirements of at least £15.4m and £10.9m were highlighted in 2019/20 and 2020/21 respectively. In so doing, however, the potential for these funding gaps to increase significantly once updated assessments of available funding, infrastructure and other commitments were incorporated was noted, emphasising a need for further service

transformation, prioritisation and a continuing shift towards preventative expenditure to secure financial sustainability.

- 2.4 Since approval of the 2017/18 budget, officers have continued to review the full range of expenditure and income factors impacting upon the Council's activities, taking account as appropriate of UK and Scottish Government policy announcements, economic forecasts and wider population trends. This report appraises members of the outcome of the review of these framework assumptions which point to a significant incremental savings requirement in each of the next five financial years.
- 2.5 As was the case for last year's budget development process, it is intended that a mid-year review, setting out the Council's budget strategy in the context of an assessment of the delivery of approved savings, progress in taking forward actions included within the budget motion and management of existing and anticipated pressures, will be brought to the Finance and Resources Committee meeting on 28 September 2017. The main conclusions arising from this review will then form the backdrop for public engagement upon the proposals to address the estimated financial challenge in 2018/19 and subsequent years.
- 2.6 The Committee is advised that the revenue and capital framework is one of the key elements of the Council's integrated planning process, which includes:
- the Council's priorities, as set out in the recently approved Council Business Plan;
 - key performance indicators and outcome measures, which will be detailed in the refreshed Council performance framework, and;
 - the resources available to the Council to deliver its priorities and performance, as detailed through the budget setting and engagement process.

3. Main report

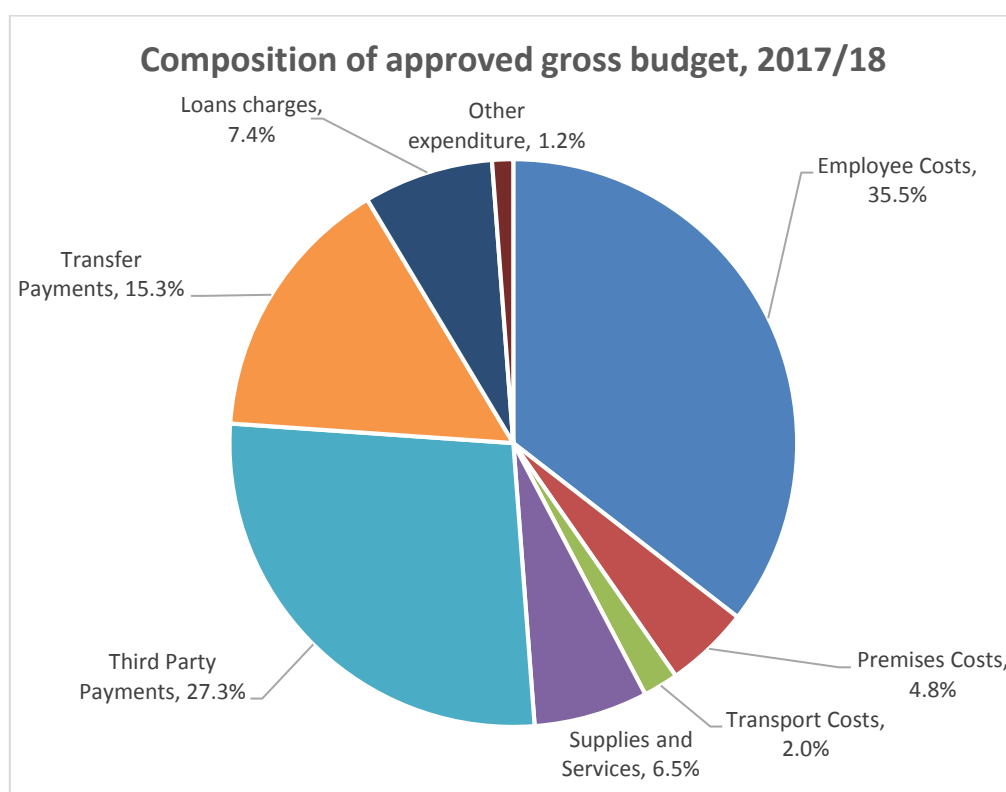
Overview of Council's budget

- 3.1 The Council's revised net budget for 2017/18 is £968m, comprising £1.52b of expenditure and £0.55b of service-specific income (including Housing Benefit subsidy, discretionary and non-discretionary fees and charges, grants, partner contributions and internal recharges). The balance of net expenditure is met from a combination of Government Grant funding, Council Tax and Non-Domestic Rates.

Expenditure

- 3.2 Of the £1.52b of budgeted expenditure, despite a 9.1% reduction in full-time equivalent staffing numbers between April 2015 and March 2017, employee costs remain the largest single item of expenditure as shown in the chart below. Third party payments totalling some £420m represent the second-largest item and include payments to third sector and other partners for the provision of adult and children's social care, homelessness and temporary accommodation

services. They also include financial support for the provision of additional affordable housing within the city, as well as contractual payments for the provision of ICT, parking enforcement and waste disposal services.



- 3.3 Transfer payments of £232m primarily comprise payments of Housing Benefit, in most cases offset by corresponding income received from the Department for Work and Pensions.
- 3.4 Taken together, employee costs, third party payments and transfer payments make up around 78% of gross budgeted expenditure. The remainder comprises premises, transport and supplies and services expenditure (totalling 13.3%), with most of the balance then representing loans charges (repayments of principal and interest on the Council's historic borrowing).

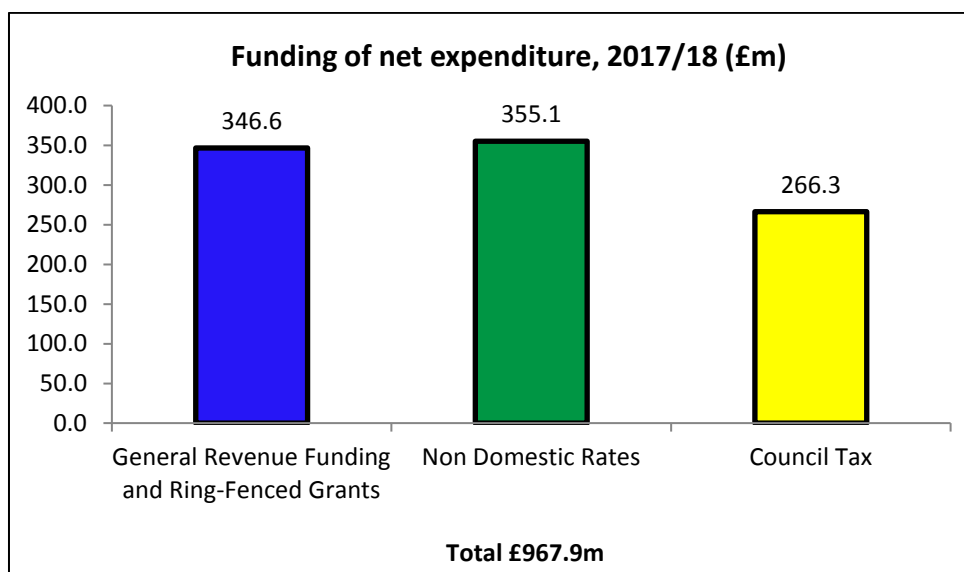
Service income

- 3.5 Of the £548m of budgeted service-specific income, the largest element represents Housing Benefit subsidy as noted above. In addition, however, the Council raises around £96m of income each year from fees and charges where there is a degree of discretion in either their level or scope, with half of this total comprising income from parking charges and permits, older people's residential care fees and property rentals and associated service charges. A further £30m is raised annually from non-discretionary fees and charges.
- 3.6 Following approval of the Council's Corporate Charging framework in June 2014, the Council has adopted a policy over the period of the budget framework whereby discretionary charges will increase annually by 2% over the relevant Retail Price Index (RPI) rate.

- 3.7 The Council furthermore receives around £150m of annual grant funding and other partner contributions from a range of public, third sector and private bodies, most of which is contingent upon the incurring of corresponding expenditure.

Balance of funding

- 3.8 The difference between the Council's gross expenditure and service-specific income is met through a combination of Government Grant (the majority of which is received as General Revenue Funding), Non-Domestic Rates and Council Tax. The respective sums for the approved 2017/18 budget (which reflect roundings) are shown below.



Key expenditure and income factors

- 3.9 As will be apparent from the preceding sections, the Council's budget in any given year is the product of a complex amalgam of expenditure and income factors. Given their materiality, however, the influence of (i) the level of pay awards, (ii) Council Tax rates and (iii) combined Government Grant funding and Non-Domestic Rates funding is particularly important. Changes in assumptions in each of these areas impact to varying degrees on the estimated overall savings requirement. By means of illustration:

- each 1% change in the Council's combined General Revenue Grant/Non-Domestic Rates funding, based on current levels, equates to £6.9m;
- each 1% pay award, based on the current workforce and including the associated impact on employer's National Insurance and superannuation contributions, equates to £5.2m; and
- each 1% uplift in Council Tax, taking account of the revised multipliers for properties in Bands E to H introduced in April 2017, increases income by £2.66m.

- 3.10 The budget framework approved in February 2017 and, by extension, the residual savings gaps noted at 2.3 above, reflect the following assumptions:

	2018/19	2019/20	2020/21
Year-on-year change in Government Grant/Non-Domestic Rates funding	-1%	0%	0%
Pay awards	1.5%	1.5%	1.5%
Council Tax levels	3%	3%	3%

- 3.11 The results of a review of these assumptions are set out in the following sections.

Expenditure factors

Pay awards

- 3.12 Pay negotiations for local government staff in Scotland are conducted between COSLA and the respective representative trade unions. As the main employers' organisation for Scotland's councils, COSLA seeks to negotiate settlements that are affordable and sustainable whilst developing progressive solutions to pay and reward issues that suitably motivate and appropriately reward staff within an agreed cost envelope. In the case of teachers, COSLA is joined by the Scottish Government in a tri-partite negotiating arrangement with the trade unions.
- 3.13 For financial year 2017/18, while discussions with the teaching unions remain in progress, agreement has been reached for the Scottish Joint Council (SJC) for Local Government Employees and Chief Officials. The agreed settlement will see a flat-rate increase of £350 (applied pro-rata where applicable), effective from 1 April 2017, paid to all staff whose basic remuneration is no higher than £35,000 and 1% for those above this level. In order to maintain parity with the wider employee pay award, the Scottish Local Government Living Wage will also increase from £8.33 to £8.51 per hour from this date. Over the non-teaching Local Government workforce as a whole, the agreement equates to an average increase of about 1.55%.
- 3.14 While neither the UK nor Scottish Government's public sector pay policy applies directly to Local Government, the Scottish Government has indicated that it will take inflation into account in subsequent years' pay negotiations with public sector unions. In view of this policy change and current and projected inflation rates, the budget framework pay award assumption has been revised to 2% for the period from 2018/19 to 2022/23 inclusive, resulting in an incremental annual increase in provision of £2.6m for each year of the framework.
- 3.15 Over the medium- to longer term, consolidation of the Living Wage within the Council's wider pay structures may result in further costs relative to current assumptions and updates will be reflected as appropriate within the framework.

Demographic provision

- 3.16 The framework approved in February 2017 includes total cumulative provision of £26m by 2020/21 for the anticipated impacts of demographic change, principally

increasing numbers of school pupils, at-risk children, older people and those with physical and/or learning disabilities, on services delivered by the Council. The sums included for Communities and Families functions in 2018/19 and 2019/20 reflect the increases arising from the revised assessment, based on updated population and other relevant data, undertaken in mid-2016.

- 3.17 The Communities and Families projections comprise two distinct elements, one relating to existing factors, such as changes in pupil rolls and numbers of at-risk children, and the other to additional sums predicated on increased infrastructure requirements arising, in particular, from the Local Development Plan (LDP). The anticipated funding requirements with regard to the LDP-related element are addressed later in this report.
- 3.18 Against a continuing backdrop of significant reductions in per capita funding levels and recognising the opportunity for economies of scale from service re-design and re-alignment towards more preventative activity as part of the development of a localities-based model, the budget framework provides for around 70% of the total identified requirement, based on existing unit costs. In rolling forward the budget framework, it is proposed to extend this principle of 70% funding to 2020/21, resulting in an assumed increased expenditure requirement of £1.55m in that year.
- 3.19 As noted in the revenue monitoring report included elsewhere on today's agenda, achievement of a balanced Communities and Families service outturn in the current year is dependent upon management of a number of demand-led service pressures, including increased use of out-of-Council area placements linked to accommodating a number of Unaccompanied Asylum-Seeking Children (UASC) within the city. While the Council will, through representative bodies, continue to press for additional funding to be made available to address fully these pressures, at this stage the sum assumed in respect of the impact of demographic change on Communities and Families services has been increased by £1.0m in 2018/19 and is baselined thereafter.

Health and Social Care

- 3.20 In 2017/18, the Council's offer to the Edinburgh Integrated Joint Board (EIJB) was one of "flat-cash", in effect offsetting additional expenditure demands arising from pay awards, introduction of the apprenticeship levy and demographic change with the implementation of previously-approved savings. As part of the Local Government Finance Settlement, the Cabinet Secretary for Finance and the Constitution indicated that local authorities would be permitted to reduce their own allocations to IJBs by up to their share of the additional £80m made available through the Social Care Fund to support the full-year cost of Living Wage implementation and other pressures affecting the care sector (in Edinburgh's case, a total of £6.52m). Within the context of an overall level of resourcing falling significantly in real terms, this was intended to acknowledge the need to build stable foundations upon which service transformation could then take place.

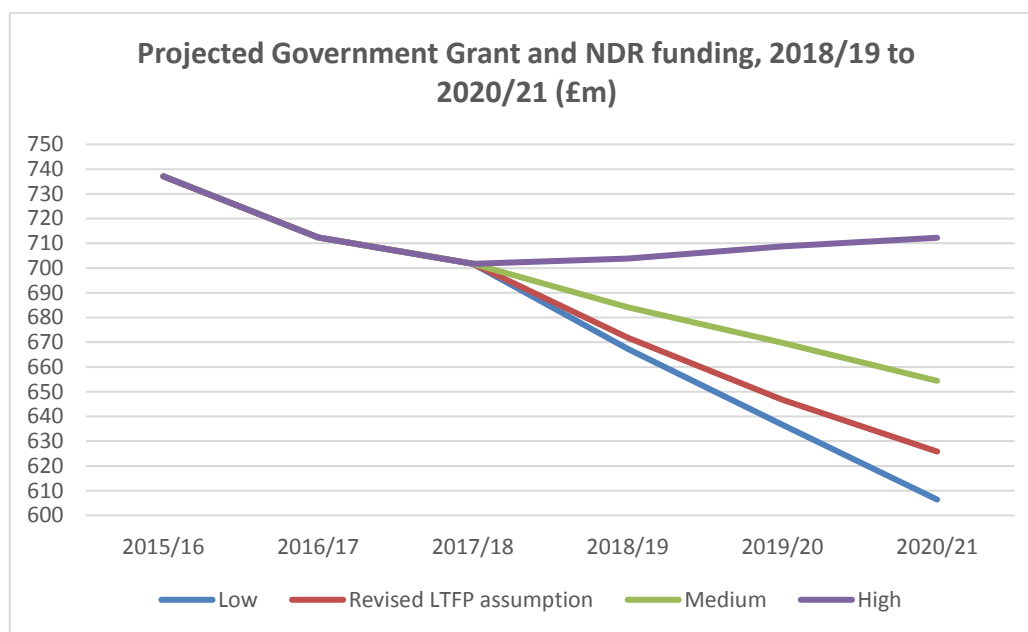
- 3.21 The effect of the creation of the Social Care Fund has been to make available to the Health and Social Care service additional funding, primarily reflecting demographic and inflationary impacts, provision for which was previously made directly within the Council's budget. Given both this and the expectation of continuing significant cash-terms reductions in the overall level of resourcing available to the Council, it is proposed to adopt a position of "flat-cash" allocations for each of the next three years of the framework. It is important to recognise, however, that implicit in this "flat-cash" allocation is continuing delivery of incremental annual savings as the benefits of integration are realised.

Income – Grant funding

- 3.22 A one-year Local Government Finance Settlement for 2017/18 was announced on 15 December 2016, with a revised Settlement then intimated on 2 February 2017. The approved budget framework allocated these £10m of supplementary resources on a one-off basis and they are assumed not to form part of the budget baseline going forward.
- 3.23 In view of the progressive devolution of Income Tax-related powers to the Scottish Parliament, the arrangements underpinning the Fiscal Framework between the UK and Scottish Governments introduce greater flexibility, but also potential volatility, in the overall level of resourcing available to the Scottish Government. The quantum of funding made available to Local Government is also affected by the Scottish Government's relative priorities, with an on-going commitment to provide real-terms resource increases to Health and maintain cash-terms funding for Police services. Going forward, there may also be pressure to increase relative funding levels to the Higher Education sector given uncertainty surrounding the UK's departure from the European Union.
- 3.24 At this stage, no firm allocations have been provided, even at sector-wide level, on the likely level of resourcing available in future years. The independent Fiscal Affairs Scotland (FAS) research unit has, however, sought to extrapolate wider forecasts and plans of public expenditure, and related taxation revenues, to derive indicative projections of grant funding and NDR levels over the medium term. It should be noted that the Scotland-wide NDR pool was once again significantly in deficit in 2016/17 and, with both the 2017 revaluation and Barclay Review recommendations net-neutral in terms of the overall revenue generated, this position would be expected to continue in subsequent years. The direct and indirect impact of the Review's recommendations on the Council will be known with greater certainty once the Scottish Government publishes its response.
- 3.25 In 2017/18, due to a significant reduction in support for the Council's historic borrowing in line with previously-agreed profiles, the decrease in the year-on-year level of grant funding was amongst the highest in Scotland, with a £20.6m contribution from the funding floor (a Scotland-wide stability mechanism limiting the extent of year-on-year movements) cushioning the impact that would otherwise have been faced. Given the nature of the Local Government Finance Settlement, it is likely that the Council will, despite above-average growth in

many of the needs-based allocations, remain at or around the level of the floor i.e. at the highest level of year-on-year decrease, for the foreseeable future. On this basis, and in light of the actual level of Settlement in both 2016/17 and 2017/18, the assumed changes in grant funding have been revised to annual reductions of 2.9%, 3.7% and 3.2% respectively over the period from 2018/19 to 2020/21, resulting in a further total reduction of £58.9m over this period relative to previous forecasts.

- 3.26 As shown in the chart below, these assumptions are close to the “low” i.e. most prudent, assumptions intimated by FAS and may allow the Council to exercise a degree of discretion in the level of savings progressed and/or include additional investment in priority areas should the actual level of settlement prove more favourable. However, due to factors outlined above, the settlement for Edinburgh is likely to be below the average of Scottish local authorities. In developing proposals, prudent planning timescales with regard to implementation will also be adopted to allow for the potential for acceleration of later years’ savings, should this be required.



Council Tax

- 3.27 The change in Council Tax levels set out in 3.10 above is aligned to the maximum level assumed by the Scottish Government, with a 3% increase on 2017/18 levels (reflecting the impact of the revised higher-banded property multipliers effective from April 2017) generating some £8m of additional income.
- 3.28 A review of the extent of the Council Tax base, taking into account property numbers, reviews of Single Person Discount entitlement and recent years’ collection rates, points to an increase in anticipated Council Tax income in 2017/18. This additional income, reflected in the revenue monitoring report included elsewhere on the agenda, will feed through to subsequent years and, as such, a further £2m of income from this source is now being assumed within the budget framework from 2018/19.

Discretionary fees and charges

- 3.29 As noted at 3.6, the Council has previously approved a policy of linking the levels of most discretionary fees and charges to changes in the rate of inflation. Current levels of inflation, whether measured by the Retail Price Index (RPI) or Consumer Price Index (CPI), are significantly above the Office for Budgetary Responsibility's medium-term target of 2%. On that basis, the framework now assumes an additional £0.5m of income, baselined from 2018/19, in respect of the level of increase to be applied in that year, with the provision for subsequent years subject to review at the appropriate time.

Service investment

- 3.30 Previous budget updates have referred to a potential requirement for additional investment linked to the Edinburgh and South East Scotland City Region Deal, Local Development Plan (LDP) and other infrastructure.

City Region Deal

- 3.31 On 20 July, the City Region Deal was signed by the UK and Scottish Governments, the Council Leader on behalf of the area's six participating local authorities and representatives of four area higher education institutions. The deal commits the two Governments and area partners, subject to the development of detailed business cases and appropriate governance arrangements, to over £1b of investment spanning a number of key growth sectors across the region.
- 3.32 In recognition of the potential calls on the Council's revenue budget, an indicative level of provision, encompassing both the City Region Deal specifically and more general infrastructural investment in the city, has been reflected within the updated budget framework as shown below:

Year	Total provision – City Deal /Cultural Fund (£m)	Total provision – Infrastructure (£m)
2018/19	1.0	0.0
2019/20	2.0	1.0
2020/21	2.5	4.0
2021/22	2.5	4.0
2022/23	2.5	4.0

- 3.33 At this stage, funding commitments for the Council are anticipated with regard to borrowing support for transport improvements in West Edinburgh and the new IMPACT concert hall based in the city. Additional project management support to take forward elements of the overall package of investment may also be required. At its meeting on 24 August 2017, Council furthermore agreed in-principle annual financial support of £1m from 2018/19 to 2022/23 towards the Platforms for Creative Excellence (PLACE) programme, on the understanding that this will be matched by equal contributions from the Scottish Government

and the Edinburgh Festivals. Relevant business cases and project updates will therefore be brought to Executive Committees at key stages of their development and the level of provision made within the budget framework will be kept under review.

Infrastructure

- 3.34 Despite the provision of significant additional capital resources as part of the approved budget motion on 9 February 2017, funding remains to be identified for over £80m of existing prioritised capital projects. Property surveys have additionally pointed to an estimated £50m funding requirement to address backlog maintenance issues and health and safety concerns across the Council's non-school estate alone.
- 3.35 In view of these pressures, the draft framework therefore includes additional revenue provision sufficient to support around £60m of infrastructural capital investment by 2022/23, assuming the estimated overall funding gap is resolved on a sustainable basis. Additional reports on the potential application of this funding will be brought forward as the budget process progresses.

Local Development Plan

- 3.36 Previous reports have also highlighted anticipated revenue and capital costs arising from the Local Development Plan. The associated capital infrastructure funding requirement of the plan, including new schools, road upgrades and open space areas, has previously been estimated at £442m, with related property running cost and maintenance revenue impacts.
- 3.37 While an element of the capital requirement will be addressed by developers' contributions and existing budgetary provision, it is anticipated that these may address part of the overall cost, with the balance falling to be met by the Council. The Council will continue to explore further potential funding sources, including possible support through the City Region Deal, and once greater clarity is available on the extent and timing of this requirement, will review the appropriateness of the sums included within the budget framework.
- 3.38 Detailed modelling of the anticipated impacts of the LDP on the schools estate has previously been undertaken, indicating potential recurring annual costs in excess of £4.3m by 2021/22. Additional revenue costs are also anticipated with regard to greenspace maintenance.
- 3.39 In light of these anticipated costs, revenue provision of £1.0m has been included within the framework in 2020/21. As with the capital estimates, the appropriateness of this sum, and any further requirement for subsequent years, will be assessed as further analysis is undertaken.

Overall impact of changes on budget framework

- 3.40 The overall impact of the changes in the assumptions set out in the preceding sections is summarised in Appendix 1. From a position of indicative balance in 2018/19, it is now anticipated that at least £11.3m of further savings require to be identified in 2018/19, and £91.6m by 2020/21, to maintain expenditure in line

with the anticipated available level of resources. The majority of this change relates to grant funding assumptions, the nature of which is particularly difficult to predict.

- 3.41 While projections are, by their nature, more speculative, on the basis of the assumptions set out below, a further incremental savings requirement of £25m is anticipated in each of the following two years i.e. 2021/22 and 2022/23:

	£m
Pay award	10.2
Demography	6.0
Inflation	3.0
Other factors (net)	1.0
Reduction in grant funding	13.6
Less additional Council Tax revenues	(8.8)
	25.0

- 3.42 Across the five-year period of the Council's Business Plan, this suggests an overall savings requirement of some £140m by 2022/23.
- 3.43 The above analysis is predicated on a sustainable, balanced budget position being achieved in 2017/18. While a full analysis will be included as part of the mid-year review, significant demand-led pressures and delays in the implementation of previously-approved savings are apparent in Health and Social Care in the current year. A number of welfare reform-related challenges, particularly within the area of Temporary Accommodation, are also affecting Safer and Stronger Communities services. Further action is also required to return both the Waste and Roads functions within Place to a sustainable financial footing over the medium term. An update across all of these areas will therefore be provided within the mid-year review.

4. Measures of success

- 4.1 Relevant measures in setting the revenue budget include:
- Accurate capturing and quantification of the key determinants of the Council's overall expenditure requirement and available sources of income, allowing a balanced overall budget for 2018/19 and subsequent years to be set as part of a sustainable longer-term framework;
 - Development of savings and investment options aligned to the Council's priority outcomes, with due opportunity provided for public consultation and engagement; and
 - Subsequent delivery of the approved savings, particularly where these are linked to additional service investment, along with key service performance indicators.

5. Financial impact

- 5.1 Delivery of a balanced budget in any given year is contingent upon the development, and subsequent delivery, of robust savings, alongside management of all risks and pressures, particularly those of a demand-led nature.
- 5.2 By adapting more prudent assumptions with respect to pay awards and grant funding levels, the budget framework offers elected members the potential to consider a wider range of savings and investment options should actual levels vary from these assumptions.

6. Risk, policy, compliance and governance impact

- 6.1 An annual report on the risks inherent in the budget process is considered by the Finance and Resources Committee in January and referred to Council as part of setting the revenue and capital budgets.
- 6.2 The savings assurance process is intended to ensure that, as far as is practicable, those proposals approved by Council deliver the anticipated level of financial savings in a way consistent with the expected service impacts outlined in the respective budget proposals.
- 6.3 A summary of progress in respect of savings delivery is reported to the Finance and Resources Committee on a quarterly basis, with additional detail and commentary on risks, mitigations and alternative measures (as appropriate) reported to Executive Committees.

7. Equalities impact

- 7.1 While there is no direct additional impact of the report's contents, all budget proposals are now subject to an initial relevance and proportionality assessment and, where appropriate, a formal Equalities and Rights Impact Assessment is then undertaken. The equalities and rights impacts of any substitute measures identified to address savings shortfalls are similarly assessed.

8. Sustainability impact

- 8.1 While there is no direct additional impact of the report's contents, the Council's revenue budget includes expenditure impacting upon carbon, adaptation to climate change and contributing to sustainable development. In addition, all budget proposals are now subject to an upfront assessment across these areas.

9. Consultation and engagement

- 9.1 As in previous years, it is anticipated that an extensive programme of engagement on the proposals comprising the framework will be undertaken within the context of the Council's wider transformation programme.

10. Background reading/external references

[Local Government in Scotland: Performance and Challenges 2017](#), Finance and Resources Committee, 23 March 2017

[Capital Coalition Budget Motion](#), City of Edinburgh Council, 9 February 2017

[Revenue Budget Framework 2017/21 – Update](#), Finance and Resources Committee, 19 January 2017

[Edinburgh Local Development Plan Action Programme – Financial Assessment](#), Finance and Resources Committee, 19 January 2017

Stephen S. Moir

Executive Director of Resources

Contact: Hugh Dunn, Head of Finance

E-mail: hugh.dunn@edinburgh.gov.uk | Tel: 0131 469 3150

11. Appendices

Appendix 1 – Revised budget framework assumptions, 2018/19 to 2020/21

REVISED BUDGET FRAMEWORK ASSUMPTIONS, 2018/19 TO 2020/21

	2018/19	2019/20	2020/21
	£m	£m	£m
Residual incremental savings requirement per approved budget, 9 February 2017	0.0	15.4	10.9
Changes in expenditure assumptions:			
Increase in pay award provision	2.6	2.6	2.6
Increase in demographic provision - Communities and Families	1.0	0.0	1.6
Health and Social Care - adjustment to flat-cash allocation	(3.7)	(3.8)	(4.0)
Changes in income assumptions:			
Decrease in assumed Government Grant funding	12.9	25.0	21.0
Council Tax - increase in base relative to existing assumptions	(2.0)	0.0	0.0
Additional income based on RPI levels	(0.5)	0.0	0.0
Additional investment:			
City Deal / Cultural Fund	1.0	1.0	0.5
Infrastructure	0.0	1.0	3.0
Local Development Plan	0.0	1.0	1.5
Local Development Plan - running costs	0.0	0.0	1.0
Updated incremental savings requirement	11.3	42.2	38.1
Updated cumulative savings requirement	11.3	53.5	91.6