

Cabinet

29 February 2012



Forecast of General Fund and Housing Revenue Account Revenue and Capital Outturn 2011/12 – Period to 31 December 2011

Report of Corporate Management Team

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Purpose of the Report

- 1 To provide Cabinet with a forecast of 2011/12 revenue and capital outturn for the period to 31 December 2011 for the Council's General Fund and Housing Revenue Account.

Background

- 2 This report updates the information presented to Cabinet on 16 November showing the forecasted revenue and capital outturn based on expenditure and income up to 30 September 2011 and incorporates the recommended changes to cash limits within Service Groupings agreed at that time.

Revenue

Current Position to 31 December 2011

- 3 The table overleaf compares the forecast with the revised budgets and is shown in more detail in Appendices 2 and 3:

Key to Table

Original Budget	As agreed by County Council on 23 February 2011
Budget – incorporating adjustments	Original Budget adjusted for budget revisions to be agreed by Cabinet.
Service Groupings Forecast of Outturn	Service Groupings' forecasted income and expenditure for 2011/12.
Forecasted Variance	Over and underspendings when comparing Service Grouping outturns to the Revised Budget.

	Original Budget	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000
Assistant Chief Executive	10,479	11,332	11,052	-280
Adult Wellbeing and Health	176,328	167,798	167,184	-614
Children & Young People	105,274	106,171	104,654	-1,517
Neighbourhood Services	99,290	108,260	108,260	0
Regeneration and Economic Dev	39,617	42,447	41,848	-599
Resources	19,125	30,308	30,302	-6
Contingencies	9,547	1,508	4,008	2,500
NET COST OF SERVICES	459,660	467,825	467,308	-517
Capital charges	-49,020	-48,856	-48,856	0
Interest and Investment income	-577	-577	-1,585	-1,008
Interest payable and similar charges	26,271	25,321	23,387	-1,934
Net Expenditure	436,334	443,713	440,254	-3,459
Funded By:				
Council tax	-198,870	-198,870	-198,870	0
Use of earmarked reserves	-260	-6,833	-6,833	0
Estimated net surplus on Collection Fund	-814	-814	-814	0
Revenue Support Grant	-55,596	-55,596	-55,596	0
Re-distributed Non Domestic Rates	-179,861	-179,861	-179,861	0
New Homes Bonus	0	0	-1,300	-1,300
Forecast contribution to Cash Limit Reserve	-933	-1,739	1,278	3,017
Forecast contribution to General Reserves	0	0	1,742	1,742
TOTAL	0	-0	-0	0

Notes: (1) Negative figures in the forecasted variance column represent an underspend

- 4 The following adjustments have been made to the Original Budget:
- (i) agreed budget transfers between Service Groupings;
 - (ii) budget transfer from contingencies for expenditure items outside the cash limit;
 - (iii) planned contribution to Earmarked Reserves (see Appendix 4).
- 5 Service Groupings have proposed £5.753m as being outside the Cash Limit in Quarter 3. The two major elements relate to Housing Benefit Subsidy pressures and Pension Augmentation. Further details are provided below:
- Housing Benefit Subsidy - £3.5m - good progress is being made with regards to addressing the housing benefit backlogs that built up during the migration to the single ICT system during the first 9 months of this financial year, with the expectation that service performance will be returned to normal levels by spring 2012. As all long outstanding claims paid are being backdated the Council is in a position that it will not be able to claim full subsidy on all backdated benefit awards, as some of this now falls outside the qualifying period. The net subsidy loss, including prior year adjustments in respect of the 2009/10 and 2010/11 claims, which have now been fully audited, is circa £3.5m.
 - 'Pension Augmentation' - £2m relates to the ongoing cost of added years approved in the former District Council's pre-Local Government Review which were not built into the 2011/12 original budget. Additional budget has been built into the 2012/13 base in this regard.
- 6 After adjusting the budgets as detailed above, the forecast outturn for Service Groupings Cash Limit Reserves and the General Reserve are summarised below:

Type of Reserve	Opening Balance as at 1 April 2011 £m	Budgetted use at 1 April 2011 £m	Movement during 2011/12		2011/12 Forecast Outturn £m
			Planned use of reserve £m	Contribution to (-) or use of reserve £m	
Service Grouping Cash Limit					
Assistant Chief Executive	-0.894		0.032	-0.280	-1.142
Adults, Wellbeing and Health	-5.423		0.000	-0.614	-6.037
Children and Young Peoples Service	-1.253	0.933	0.320	-1.516	-1.516
Neighbourhoods	-1.292		0.000	0.000	-1.292
Regeneration and Economic Development	-2.391		0.000	-0.599	-2.990
Resources	-0.873		0.454	-0.006	-0.425
TOTAL CASH LIMIT RESERVE	-12.126	0.933	0.806	-3.015	-13.402
General Reserve	-17.320	0.000	0.000	-1.742	-19.062

- 7 Details of the major variances follow for each Service Groupings in the above forecast of outturn figures.

Assistant Chief Executive

- 8 The Service is reporting a forecast outturn underspend of £0.279m after:
- accounting for the use of earmarked reserves to carry out the related planned activity;
 - accounting for redundancy costs met from the MTFP Redundancy and Early Retirement reserve; and
 - excluding items of expenditure relating to community buildings which is outside the cash limit.
- 9 The majority of the reported under spend relates to employee costs. As a result of careful management of vacancies within the service by the Assistant Chief Executive (ACE) management team a direct staffing cost saving of £0.353m is forecast together with a saving on training of £18k. In order for these vacancies to be maintained, while delivering the service, agency staff have been utilised during the early part of the financial year to complete the required service activity at a cost of £0.175m. This has led to a net employees under spend of £0.196m.
- 10 Premises costs are forecast to under spend by £40k as spend is being focussed only on essential repair and maintenance work pending the outcome of the community buildings review.
- 11 Transport costs are forecast to under spend by £4k as a result of savings made on the payment of car allowances.
- 12 Supplies and services are forecast to make a small overspend of £8k across a range of supply and service headings.
- 13 Transfer Payments are forecast to under spend by £23k. This relates to activity within Partnerships and Community Engagement around the grant aid to the communities budget. This under spend is being actively managed with a view to making an enhanced grant contribution in 2012/13.
- 14 Income is forecast to over recover by £24k relates to securing additional grant in the Partnership and Community Engagement area.
- 15 The outturn position for ACE does not reflect any utility running costs in connection with Community Buildings. This area of activity is currently being administered by ACE pending a corporate decision on where this activity is best managed within the authority. It is anticipated that if the activity remains within ACE that, in the first instance, residual budgets within other services connected with the provision of community buildings will be transferred to ACE to finance this budget pressure. In the event that these budgets do not meet the funding requirements, this budget pressure will be highlighted to Cabinet.
- 16 Each of the 14 Area Action Partnerships (AAP) have a budget to contribute to local projects of £0.12m in 2011-12, this equates to £1.68m in total. Combined with revenue budgets brought forward from previous years the total revenue budget across all 14 AAPs for 2011/12 is £2.846m. Forecast expenditure to 31st March 2012 is £2.541m with £0.305m being carried forward into 2012-13

as an earmarked reserve. Of the £0.305m forecast to be carried forward, plans are already in place to invest £0.187m in new projects during 2012-13.

- 17 Each elected member has a 'Member's Neighbourhood budget' of £25k for priorities in their local AAP areas made up of £15k revenue budget and £10k capital.
- 18 2011-12 the Members' Neighbourhood revenue budget, including sums brought forward from the previous year, totalled £3.155m. It is forecast that £1.354m will be expended in the current year leading to £1.801m being carried forward into 2012/13 as an earmarked reserve. Roughly a third of this sum is potentially allocated to projects in development.
- 19 The capital budget available in 2011-12 totalled £1.260m which is augmented with capital budgets brought forward leading to £2.592m capital budget being available. It is forecast that £2.520m will be expended in 2011-12 and a request has been agreed by MOWG to slip the remainder of the budget (£0.040m) into future years to fund further projects.

Adults, Wellbeing and Health

- 20 The service is currently reporting a forecast outturn position of £167.118m against the revised annual budget, adjusted for contributions to and from reserves, of £167.732m, a forecasted underspend of £0.614m (a variation of 0.37%).
- 21 In recognition of the Medium Term Financial Plan (MTFP) position and to assist in the management of the significant demographic pressures facing the service over the MTFP period, the service has continued to target a planned underspend for 2011/12, repeating the planned approach applied in 2010/11. This has enabled the creation of a £6.30m earmarked reserve for demographic pressures and increased cash limit reserves to assist the MTFP position.
- 22 During Quarter 3 there has been a continued success in the early delivery and overachievement of MTFP savings proposals in relation to management and support services. This improved position has allowed an additional contribution of £2.15m to be made to the earmarked demographic pressures reserve of £4.15m created in Quarter 2.
- 23 A number of budget variations have been approved for Quarter 3. The major variations include increased spend/income in relation to Supporting People and Heritage and Culture programmes, new grants in respect of Memory Services and Reablement, the receipt of additional Winter Pressures funding via the PCT and a number of self balancing adjustments to reflect service changes.
- 24 Key variations against budget are as follows:
 - The re-tendering of the Domiciliary Care contract arrangement for the County was successful in securing a reduction in the price paid for this service. This has created a saving of £1.8m in the current year.

- Early achievement of a number of future year MTFP management and support service proposals together with the careful management and control of vacancies and general budgets across the service has created projected underspends for the year of £1.754m and £2.310m respectively. This planned approach has ensured that an underspend for the service is achieved as targeted, creating opportunities for service rationalisation whilst minimising the impact of such changes on existing employees.
- Net spend on care packages is projected to outturn at £1.176m below budget. This area of spend continues to be closely monitored to assess the impact of demographic changes. The introduction of the Reablement service in April 2011 has had a positive impact on the ongoing care levels of service users enabling them to be more independent than would otherwise have been the case and reducing ongoing care needs. The closely managed process in relation to the consistent and effective application of the existing eligibility criteria has also resulted in a reduction in the level of care packages commissioned.
- The government has allocated further additional funding to Primary Care Trusts (PCTs), as they did late in 2010/11, to support winter pressures. This funding continues to be passported to local authorities through Section 256 agreements. Durham received £1.783m which has been transferred directly into an earmarked reserve to allow preventative services to be developed and delivered over the forthcoming months.
- As previously reported two of the approved 2011/12 Adults, Wellbeing and Health MTFP savings, relating to the reviews of the Adult Learning service (£0.12m) and stair lift maintenance arrangements (£0.15m), have been re-profiled into 2012/13. Mitigating savings have however been identified to offset these reductions and ensure the savings target for the service area is achieved.
- A new Energy on Prescription initiative totalling £0.4m has been funded through a grant from the DoH.
- Contributions from reserves include £0.412m from the MTFP Redundancy and Early Retirement reserve to fund redundancy costs related to MTFP efficiency savings incurred in Quarter 3 and £0.360m from the Performance Reward Grant reserve to support Lumiere, the Book Festival and the Durham "Streets of" programme. A £0.1m contribution to reserves has also been made to support the Management Options Appraisal development.

25 The AWH cash limit reserve brought forward from 2010/11 totalled £5.422m. The current projections of a £0.614m underspend in the current year will increase the cash limit reserve to £6.036m at 31 March 2012. This is in addition to the earmarked reserve of £6.30m now created to support future demographic pressures.

Children and Young People's Services

- 26 The overall projection for CYPS has improved and it is anticipated that by March 2012 there will be a cash limit balance of around £1.5m. Safeguarding and Specialist Services (SaSS) pressures continue to be a feature although the outturn projection in this area has not increased. This has been achieved through the use of non-recurring reserves/balances and reducing spend across the service through the management of vacancies, reduced transport costs and general reductions in spend wherever possible.
- 27 The CYPS Employees budget is forecast to overspend by £0.64m. Connexions Service employee costs are in excess of available grant for the period to December 2011 of £0.94m. Further redundancy costs in relation to MTFP savings of £0.33m are projected to the end of March 2012 and will be funded via a corporate reserve. This is offset by a £0.63m underspend across CYPS relating to management of vacancies.
- 28 There is an overspend of £0.25m within premises costs relating to Connexions offices and costs relating to the new One Point Hub Buildings.
- 29 Transport costs are forecast to overspend by £0.63m. Home to School and College Transport budgets are a significant part of the CYPS budget. Latest estimates indicate that expenditure will be in line with budget. A further area of consistent pressure and overspend relates to Safeguarding Teams, where CYPS is required to fund contact visits authorised by courts and excess school travel costs. Most of the projected overspend relates to this area of the budget at Quarter Three. The changes to policy for Post 16 Transport and Concessionary Fares will deliver the level of savings anticipated during 2011/2012. Overall the position has improved by £0.25m from previous projections.
- 30 Supplies and Services are projected to overspend by £0.35m. The main areas of overspend relate to legal fees for children subject to court orders and proceedings, catering supplies for increased school meals uptake (offset by increased income) and Connexions spend which is not supported by grant.
- 31 Agency and Contracted budget is expected to overspend by £1.41m. This is one of the most significant pressures in the CYPS budget, within SaSS, which reflects spend on independent foster agencies and fostering allowances, and spend has continued to increase because of the number of referrals and caseloads.
- 32 Transfer Payments are forecast to overspend by £0.66m. Expenditure on Direct Payments to those parents who elect to care for children with a disability at home is recorded here, and payments to private providers for early years provision.
- 33 Central Support Costs are forecast to overspend by £0.66m. This covers "internal" service recharges and support service functions provided by other parts of the County Council. Some recharges have increased in value due to the introduction of the One Point Service. This is offset by additional "internal" income.
- 34 To counteract the above overspends, income is forecast to over recover by £5.5m. Non-recurring balances and grants are a significant feature here, with extra earned income, extra primary meals income (offset by additional

expenditure) and internal recharges which offset overspends in other areas. The planned use of non-recurring balances and grants have been essential in being able to balance the revenue budget due to the significant loss of CYPs Grants

- 35 Additional income from the sale of welfare beds at the Aycliffe Secure Unit trading operation indicate that a contribution to reserves of £300,000 will be possible, and is needed to offset planned reductions in Youth Justice Board funding.

Neighbourhood Services

- 36 The forecast revenue outturn for 2011/12 is expected to be in line with the revised budget, a break even position.
- 37 Following Cabinet in November, where the Quarter 2 revenue and capital budget report was considered, the Neighbourhoods revenue budget was revised to take account of transfers between Neighbourhood Services and other Service Groupings, and also to adjust the forecast use of reserves, which resulted in a revised revenue budget of £105.182m.
- 38 It is now proposed to make further adjustments to the revenue budget in relation to the introduction of the Carbon Tax charge, and the transfer of Abbeywoods Depot to Resources Service Grouping. These proposed changes will result in a revised revenue budget of £105.276m.
- 39 The forecast use of reserves has been further reviewed in light of more up to date information, and it is now anticipated that redundancy costs linked to MTFP efficiency proposals (financed from the ER/VR reserve) will be £0.218m higher than the previous forecast, and the use of earmarked reserves relating to Sport and Leisure externally funded schemes will be higher than previously forecast by £0.093m. In addition, there are forecasted additional costs of £80k to support front line customer demand that are outside of the cash limit in relation to Customer Services.
- 40 Although the service is forecasting a break even position at the year end, there are several significant variances within the service grouping at Head of Service level. These are as follows:
- There is a forecast overspend of £0.441m associated with Leisure Centres / Indoor Facilities as a result of a delay in achieving some of the proposed MTFP efficiency proposals. This has resulted in higher than anticipated employee costs, along with mothballing costs, and also a fall in income at those leisure centres that were targeted for closure or transfer;
 - Within Environment, Health and Consumer Protection, there is an income shortfall of £0.240m associated with licensing and markets that is partially offset by savings on employees amounting to £0.135m. There is also a £83k budget pressure due to the transfer of Animal Health Grant in formula grant, but this is being covered through other savings this year, and is being addressed on a permanent basis as part of next year's MTFP.
 - There is a forecast overspend of £0.491m in relation to Waste Disposal costs as a result of unachieved efficiency savings, linked

to the restructuring of Premier Waste following the sale of its commercial businesses, but this is offset by additional income relating to the sale of Dry Waste Recyclates (£0.205m), and savings from additional waste diversion of recyclable litter and street sweepings (£0.192m).

- There are savings of approximately £0.2m on employee costs, and waste awareness budgets within Strategic Waste.
- Within Business Support, there are under spends of £0.191m, mainly relating to employee budgets as a result of vacant posts that will be used to achieve future year MTFP efficiencies.
- Within Technical Services, there are under spends of £0.15m associated with employee costs and premises.
- Winter Maintenance is likely to under spend by approximately £0.150m based on the activity during October – December, and also based on conditions staying as they have been for the remainder of the winter. However, for prudent reasons, no forecast under spend has been included in the Quarter 3 forecast to date, and if there was to be an under spend by the year end, this would be outside the cash limit.
- Finally there is a forecast under spend of £0.1m on the centralised training budget within Neighbourhood Services.

41 While the service is currently forecasting a break even position (an improvement of £0.501m over the September position previously reported to Cabinet), it should also be noted that, the service also has a cash limit surplus brought forward from 2010/11 of £1.292m should this not prove to be the case.

Regeneration and Economic Development

42 The service is reporting an outturn position of £41.848m against the revised annual budget of £42.447m – an underspend of £0.599m after adjusting for contributions from reserves.

43 The key variances are as follows:

- Policy Planning Performance - £17k saving in staffing and running expenses
- Economic Development - £0.330m saving. The service is experiencing a pressure of £0.199m from both loss of income on industrial estates and additional business rates on vacant units. This is being mitigated by savings secured on staffing and supplies and services.
- Housing - £84k underspend attributable to savings on staffing and supplies in housing.
- Planning - £61k underspend of which £0.307m relates to staffing costs. There are additional pressures on building control fees which

are £0.350m less than budget, although planning fees are £50k higher. Costs are being incurred for two major appeals amounting to £42k for which there is no budget provision. There is a range of other savings on running costs including a projected underspend on blight works of £99k.

- Transport - £0.825m saving of which £0.290m relates to staffing and there is a net saving on other running expenses of £0.535m of which £0.496 relates to additional income.
- Contribution to reserves – a contribution of £0.500m is being made to support restructuring of the RED service and associated pay protection issues and a further £0.220m contribution is being earmarked to support feasibility and project development costs that cannot be charged to capital programmes.

Resources

- 44 The forecast outturn, taking into account the use of earmarked reserves and sums outside the cash limit is a break even position.
- 45 Within the break even position is a forecast overspend on employee costs of £0.079m. This position takes into account the cost of utilising agency staff (primarily within ICT and Revenues and Benefits) of approximately £1.406m, substantially offset by the proactive management of vacancies across the service, leading to direct staff savings of £1.327m. There is a planned exit strategy for all agency staff in Resources by 31 March 2012.
- 46 There is a forecast under spend within premises costs of £0.179m, associated with the registrars use of Aykley Heads House for 2 months rather than a full year together with savings within ICT related to in-house Repairs and Maintenance. There have also been savings related to rental costs of buildings that have been vacated during the year.
- 47 Transport costs have been actively managed to ensure essential journeys only are undertaken leading to savings across the service as a whole of £0.219m
- 48 Supplies and Services is projected to under spend by £0.984m primarily in ICT as the service manages costs down corresponding to the reduced income generating activity. Savings have also been realised within Finance resulting from the rationalisation of software licences and within Legal and Democratic services – by arranging alternative low-cost, in-house provision of electoral registration data collection services previously procured externally.
- 49 A forecast overspend of central costs of a projected £0.056m is anticipated relating to bad debt written off as irrecoverable within ICT.
- 50 An overall projected under recovery of income is projected from the service of £1.241m. This is related to a reduction in 'Trading' Activity Income within ICT although this is offset by a corresponding reduction in expenditure elsewhere within ICT.
- 51 Also of note within the Revenues Collection Service in Finance is a projected under recovery in relation to 'Court Fee Costs recovered', which will not be

received in the current year, although it is anticipated that the level of income will be achieved in 2012/13.

- 52 In terms of sums outside the cash limit, the quarter 3 forecast of outturn builds in the updated forecast on housing benefit payments and associated forecast under recovery of housing benefit subsidy receivable.
- 53 Good progress is being made with regards to addressing the housing benefit backlogs that built up during the migration to the single ICT system during the first 9 months of this financial year, with the expectation that service performance will be returned to normal levels by spring 2012. As all long outstanding claims paid are being backdated the Council is in a position that it will not be able to claim full subsidy on all backdated benefit awards, as some of this now falls outside the qualifying period. The net subsidy loss, including prior year adjustments in respect of the 2009/10 and 2010/11 claims, which have now been fully audited, is circa £3.5m. This sum is outside the Resources cash limit and will be funded from contingencies and general reserves.

Central Budgets

Interest Payable and Similar Charges - Capital Financing

- 54 The current forecast is for a £1.934m underspend. This saving is being achieved due to lower than forecast interest rates on loans and borrowing taking place later than estimated due to higher levels of cash balances than forecast.

Interest and Investment Income

- 55 The forecast of outturn is an overachievement of investment income of £1.008m which takes into account the higher than anticipated levels of cash balances held. This is due in the main to slower than expected use of reserves and capital expenditure.

New Homes Bonus

- 56 The Council has received £1.3m of New Homes Bonus Grant for 2011/12. This Grant is being built into the base budget for 2012/13. For 2011/12 it is proposed that this income is taken into the Council's General Reserve.

Earmarked Reserves Forecast

- 57 Appendix 4 provides further detail of the forecast use of Earmarked Reserves. Based on the latest forecast the position at the end of the year is estimated to be as follows:

	£m
Balance as at 1 April 2011	90.975
Less forecast use:	
Quarter 1	11.768
Add contribution to:	
Quarter 2	5.688

Add forecast use:

October/November/December	<u>0.523</u>
Forecasted Balance as at 31 March 2012	<u>85.418</u>

- 58 The MTFP Redundancy and ER/VR Reserve was created in November 2010 in recognition of the need to achieve £123.5m of savings over the MTFP period. The Earmarked Reserve would be utilised to finance severance costs. The original reserve was £26.9m with £7.1m being applied in 2010/11. The current forecast use of the reserve in 2011/12 is £10m. This will result in the reserve having an estimated balance of £9.8m as at 31st March 2012.

Housing Revenue Account (HRA)

- 59 In overall terms, there is no change in HRA balances and it is estimated that there will be a surplus in the year of £1.288m which will be used to support the capital programme and reduce borrowing in the run up to self financing.
- 60 At the time the budget was developed no information was available on the level of Decent Homes Backlog Funding from Government and the savings arise due to prudent assumptions being made on capital financing charges and debt levels.
- 61 There is also an additional cost of rent rebates which are provided to council tenants and if these exceed a certain threshold set by Government, a contribution of the excess must be repaid to Government and the forecasted amount for 2011/12 is £0.302m.

Capital

Background

- 62 The revised General Fund (GF) capital budget for 2011/12 was set at £167.929m and was approved by Cabinet on 8 February 2012.
- 63 Since the revised budget above was approved, an additional £0.311m of Disabled Facilities Grant has been confirmed and is reflected in the total GF Capital Programme detailed in the tables below.
- 64 The revised Housing Revenue Account (HRA) budget for 2011/12 was set at £42.792m and was approved by Cabinet on 16 November 2011.
- 65 The HRA Capital Programme shown below has increased by £0.362m to £43.154m. The changes to the programme comprise a £1.235m increase in the New Build Scheme at Crook, which has been brought forward from 2012/13 at the request of the Homes and Communities Agency, offset by a £0.873m decrease through slippage in the Housing Demolitions programme.

66 The table below summarises the recommended adjustments with the revised Capital Programme for 2011/12 being £211.395m

Service	Original Budget 2011/12 £000	Slippage from 2010/11 £000	Budget Revisions £000	Revised 2011/12 Base Budget £000	Reprofiling to/from future years £000	Revised 2011/12 Budget £000
ACE	3,598	1,175	980	5,754	- 3,234	2,520
AWH	4,912	636	-	5,548	- 4,978	569
CYPS	82,454	11,699	50,798	144,951	- 67,230	77,721
NEI	36,630	7,248	11,205	32,673	- 4,082	28,591
RED	46,741	12,883	15,393	75,017	- 25,750	49,267
RES	19,820	3,648	821	22,647	- 13,075	9,572
	-	-	-	-	-	-
Total GF	194,156	37,290	55,144	286,590	- 118,350	168,240
HRA	25,245	708	14,839	40,792	2,362	43,154
Total GF and HRA	219,401	37,998	69,984	327,382	- 115,988	211,395

67 The tables below summarise the recommended financing of the proposed capital programme:

Financing – General Fund Capital Programme 2011/12

	Original Budget 2011/12 £000	Slippage from 2010/11 £000	Budget Revisions £000	Revised Budget 2011/12 £000	Budget Reprofiling to/from future years £000	Revised Budget 2011/12 £000
Grants & Conts	92,521	12,342	32,003	136,866	- 38,056	98,810
Revenue and Reserves	2,005	170	5,218	7,393	- 1,324	6,069
Capital Receipts	14,400	-	7,056	21,456	- 18,108	3,348
BSF Capital Receipts	1,200	-	-	1,200	-	1,200
Borrowing	84,030	24,778	10,867	119,675	- 60,862	58,813
Total	194,156	37,290	55,144	286,590	- 118,350	168,240

Financing – Housing Revenue Account Capital Programme 2011/12

	Original Budget 2011/12 £000	Slippage from 2010/11 £000	Budget Revisions £000	Revised Budget 2011/12 £000	Budget Reprofiling to/from future years £000	Revised Budget 2011/12 £000
Grants & Conts	1,725	-	400	2,125	- 365	1,760
Revenue and Reserves	18,756	-	694	19,450	- 592	18,859
Capital Receipts	666	-	403	264	-	264
BSF Capital Receipts	-	-	-	-	-	-
Borrowing	4,097	708	14,148	18,953	3,319	22,272
Total	25,245	708	14,839	40,792	2,362	43,154

68 Detailed overleaf are the service commentaries on the significant changes since 30 September 2011.

Assistant Chief Executive

- 69 ACE capital programme makes a significant contribution to local communities within the county, funding Local Elected Members 'Neighbourhood Budgets' and facilitating the review and development of community buildings within the Area.
- 70 The ACE capital programme, as approved by Council, is £3.598m. However, this needs to be adjusted for slippage of £1.175m from 2010/11 plus additional funding secured from Resources (Assets) of £0.300m in connection with the Communities Building review.
- 71 In order to complete some projects additional funding is required. The Members Neighbourhoods Capital Budget has been increased by £0.680m. This additional funding is to be met from Members' revenue budget allocations.
- 72 The MOWG meeting on 5 October agreed that £3.070m should be reprofiled into 2012/13 £2.150m relating to Assets to Communities; £0.920m relating to Members Neighbourhoods Budgets and a further £0.163m was slipped into 2012/13 at the January MOWG meeting relating to Members Neighbourhoods Budgets leaving a total revised capital budget of £2.520m.
- 73 Agreement was given by MOWG on 24 November 2011 to recommend transfer an amount of £0.568m from the RED Capital Programme to the ACE 2012/13 Capital Programme. This budget has been reclassified for work on Community Facilities in Crook.
- 74 Taking into account slippage from 2010/11, budget transfers, additional funding and reprofiling to 2012/13, the total budget for the Members Neighbourhoods Budgets is £2.520m.

Adults, Wellbeing and Health

- 75 As reported at Quarter 2, following Cabinet approval of slippage from 2010/11, new investment in relation to the Gala Cinema and the review and reprofiling of capital schemes across the MTFP period, the AWH Capital Budget for 2011/12 was revised to £1.195m. A transfer of £150,000 to Neighbourhood Services was subsequently agreed in respect of a suicide prevention project at Hownsgill Viaduct, reducing the AWH Capital Budget to £1.045m.
- 76 During Quarter 3, budget holders have re-examined the 2011/12 to 2014/15 approved/amended capital budgets, taking into account current progress, design, work programming, planning and other considerations to re-profile these budgets, where necessary. The proposed reprofiling was presented to and approved by MOWG at its meeting on 16 January 2012. The schemes which have been identified as requiring re-profiling are as follows:
- Library Modernisation and Maintenance Backlog – re-profiled over 2011/12 to 2014/15 to reflect the current work requirements as part of the building condition survey and to take account of the ongoing work in the development of the Library Strategy.

- Cultural Programme/Killhope Museum - due to ongoing inclement weather conditions at the Killhope site it is anticipated that the funds available within the AWH capital programme will not be required until early in the 2012/13 financial year.
- Public Arts Project and Apollo Pavilion – re-profiled into 2012/13 to reflect likely demand for public arts works and maintenance requirements in the next financial year.
- Residential Homes for the Elderly – a revised amount of £10k has been left in 2011/12 to cover any urgent/essential works which may be required. The spend profile for later years has been revised to reflect realistic programming of any required works following a review on the future use of the homes.
- ICT Infrastructure – re-profiled over 2011/12 to 2013/14 to reflect service development requirements.

Children and Young People's Services

77 Council approved amendments to Capital budgets in relation to various adjustments including slippage, in line with recommendations of the Member Officer Working Group. The revised 2011/12 budget is £77.72m and the projected outturn to 31 March 2012 is expected to be in line with these revised budgets.

Neighbourhood Services

78 Since the Quarter 2 outturn was reported to Cabinet, various meetings of the MOWG have approved revisions to the Neighbourhood Services Capital budget to take account of additional grants and contributions that have been received, along with a number of budget transfers that have been proposed with other Service Groupings.

79 In addition to this, at the January meeting of MOWG, additional slippage was approved from 2011/12 to 2012/13 and this resulted in a revised capital budget of £28.591m.

80 At this stage of the financial year, it is now anticipated that all the revised capital budgets will be fully spent apart from within the following;

- Technical Services are reporting an over spend of £0.824m relating to additional expenditure on highways schemes, but this will be financed from the AAP reserve that was carried forward from 2010/11.
- Sport and Leisure are projecting an over spend of £92k in relation to structural maintenance at Leisure Centres. However, if this is the year end position, then the 2012/13 budget will be reduced to compensate for the over spend.

81 In summary, the Neighbourhood Services Capital budget is forecast to be over spent by £0.916m against the revised budget of £28.591m.

Regeneration and Economic Development

82 The 2011/12 RED General Fund Capital Programme, as agreed by Council on 23 February 2011, was £46.741m and this was subsequently increased by £12.883m that was carried over from 2010/11, giving a total revised budget of £59.624m. Further revisions were agreed by Cabinet on 16 November 2011 to increase the capital budget by £8.002m to £67.626m.

83 This report identifies further potential adjustments that reduce the RED Capital Programme by £18.359m to £49.267m.

84 The significant changes to the programme include:

- **Barnard Castle Vision - £2.023m decrease**

This is a budget reprofiling to 2012/13 as the Witham Hall development was delayed until approval was received for the matching ERDF grant and the Digital Dale Broadband has also been delayed by consultation on the details of the scheme.

- **Disabled Facilities Grants - £0.312m increase**

The DCLG has recently announced the provision of additional grant to support this programme in 2011/12 and the Durham share of the allocation is £0.312m.

- **Durhamgate - £1.750m decrease**

The budget for this project includes a £1.2m contribution from the Council's partner, the Carillion Arlington Spennymoor Trust (CAST). It has been agreed that some £0.950m of the work will be carried out directly by CAST, therefore a budget reduction is necessary. A further £0.800m covers a budget reprofiling to 2012/13 as a result of delays in agreeing the specification of street lighting for the scheme.

- **Gypsy Traveller Sites - £2.641m decrease**

A programme of Health and Safety works at Gypsies and Travellers sites has been undertaken with a contribution from the PCT. It has been agreed with the PCT that a balance of £0.325m is transferred to Adults to fund a programme of health related works. A further £2.316m is to be reprofiled into 2012/13 and comprises the Council's contribution towards the modernisation of Gypsies and Traveller sites.

- **Energy Schemes - £2.749m decrease**

Following the revision of the Feed in Tariffs that were announced by the Department of Energy and Climate Change during 2011, the proposed Solar Photovoltaic installations programme has been reviewed, to ensure that each installation is financially viable. Consequently the programme, which is an 'invest to save' initiative that will be paid from future years' revenue savings, has been reduced and the capital cost has been reduced by £0.915m.

The remaining reduction is a reprofiling of £1.834m into 2012/13 and comprises:

- £1,040,000 for the Solar Photo Voltaic scheme,
- £300,000 for the Energy Efficiency scheme and
- £494,000 for the Away From G scheme.

The Solar Photo Voltaic scheme was delayed while suitable properties were identified and evaluated and although a significant part of the programme is expected to be completed there will be some slippage of expenditure into 2012/13. The majority of the Energy Efficiency programme covers energy efficiency retrofits and progress to date has enabled a shortlist of three companies which are able to compete for the work to be compiled. The work was awarded in January. It is, therefore, unlikely that the work on the four buildings in this round will be completed by April 2012. The 'Away from G' fund will be utilising the same framework, so its mini competition will not be started until the current competition is complete. Therefore, work is unlikely to start before April 2012.

- **'Transit 15' - £1.040m decrease**

There has been a budget transfer of £0.043m from the Local Transport Plan to support this scheme. This increase partially offsets a decrease from budget reprofiling to 2012/13, as progress on this project has been slower than planned due to lack of staff resources to implement the scheme.

- **Local Transport Plan - £1.849m decrease**

It is proposed that the £0.965m scheme to improve safety and traffic flow at the A693 at the Drum Industrial Estate in Chester-le-Street, by converting a T junction to a roundabout, is reclassified as a Major Schemes (Transport). A further £0.310m has been identified as a saving in the Sniperley Roundabout scheme and can be transferred to the Park and Ride Extension scheme at Belmont. This project has been implemented to a higher specification than originally proposed and will cost £0.560m. These reductions are partly offset by an increase of £0.199m that has been transferred from the Neighbourhoods service grouping capital budgets to cover the costs of enhancing the scheme to improving walking and cycling routes.

Some £0.725m will be reprofiled into 2012/13. Of this some £0.258m concerns the Bus Infrastructure budget. There are insufficient resources in the Transport section and Service Direct to deliver this programme in the current year, but the reprofiled budget plus the resources anticipated in the LTP for 2012/13 are deliverable next year. A further £0.200m relates to proposed improvements at Peterlee Bus Station, where negotiations have broken down with the owners. The implications are being assessed so a way forward can be found. The remaining balance covers projects to improve major junctions.

Resources

85 The original 2011/12 Capital Programme for Resources was £19.820m. This was subsequently increased by slippage from 2010/11 of £3.649m approved by MOWG and Cabinet. Budget revisions were agreed which reduced the 2011/12 capital programme by £3.186m. The budgets have been increased by additional resources of £2.365m. Budgets totalling £13.076m have also been reprofiled to future years, which resulted in a revised Resources capital budget for 2011/12 of £9.572m.

86 Total expenditure in Resources to 31 December 2011 is £4.889m.

87 A summary by functional area is given below. Assets is included in Resources at this stage as all budgets will be disaggregated from the beginning of 2012/13.

Asset Management

- The original 2011/12 capital budget for assets was £13.497m.
- Slippage from 2010/11 totals £3.541m.
- £3.275m relating to Structural Maintenance (£1.225m) and regeneration schemes (£2.050m) has been transferred to other services.
- The capital programme was reduced by £1.477m relating to redundant schemes.
- The Assets budget has been increased by £0.220m to account for purchase of land which will be funded from section 106 planning fees.
- Net budgets totalling £8.892m have been reprofiled into 2012/13, relating to the reprogramming of work on Structural Maintenance (£3.900m) and the Accommodation Review project (£4.742m) and other smaller schemes (£0.250m).
- These alterations have resulted in a total Assets capital budget of £3.614m.

Finance – Replacement of the Revenues and Benefits System

- The original 2011/12 capital budget for Finance was £1.200m and relates to the Replacement of the Revenues and Benefits System.
- A budget transfer was made to 2010/11 of £0.128m from 2011/12.
- The major phase of development went live in December 2011 with a forecast underspend of £0.473m. This budget has been reprogrammed into 2012/13 to fund further options around other “added value” modules, to develop open revenues aspects of the system and improve resilience and server capacity.
- The revised 2011/12 capital budget is £0.599m.

ICT Services

- The original capital budget for ICT Services was £5.123m.
- Slippage from 2010/11 totals £0.108m.
- £0.306m was transferred to 2010/11.
- Budget of £2.000m relating to Broadband was transferred from Regeneration and Economic Development (RED) to ICT. This budget relates to the Digital Durham bid for funding to Broadband Delivery UK (BDUK) to provide better access to Broadband for residents within the county.

- The ICT capital programme was increased by additional funding of £2.145m to increase the Broadband project and by £1.145m to purchase a new telephony system.
- £3.711m has been reprofiled to 2012/13. This consists of £3.000m relating to Digital Durham bid, £0.318m relating to the replacement of the telephony system and other schemes (£0.393m).
- This results in a revised 2011/12 budget for ICT of £5.359m.

88 The total revised 2011/12 budget for Resources is £9.572m. Total expenditure in 2011/12 for Resources to 31 December 2011 is £4.889m.

Housing Revenue Account (HRA)

89 The 2011/12 RED Housing Revenue Account Capital Programme, as agreed by Council on 23 February 2011, was £25.245m and this was subsequently increased by £0.708m that was carried over from 2010/11, giving a total revised budget of £25.953m. Further revisions were agreed by Cabinet on 16 November 2011 to increase the 2011/12 capital budget by £16.839m to £42.792m.

90 This report identifies further potential adjustments that increase the RED Housing Revenue Account Capital Programme by £0.362m to £43.154m. The changes to the programme comprise:

- ***Housing Demolitions - £0.873m decrease***
This programme covers several initiatives and there have been delays that mean a reprofiling of budget is required:
 - It is anticipated that some £0.250m of the £0.420m budget for Esh Winning will now be used in 2012/13.
 - The schemes to redevelop the sites of the Durham City Homes sheltered units at Oversteads and Brandon are out to tender to identify a preferred developer. It is anticipated that the developer will cover the demolition costs in their proposals, in which case there will be a saving of £0.240m in budgeted demolition costs. If a developer is not identified then the Council will need to procure demolition contractors and this would delay the demolition until 2012/13.
 - Some £0.125m arises from the projects at Wheatley Hill and Dorman Villas, Station Town, where bat surveys have been necessary.
 - The above delays mean that it is not possible to begin to implement the next phase of demolitions.
- ***New Build – £1.235m increase***
The scheme at Crook been accelerated at the request of the Homes and Communities Agency and this expenditure has been brought forward from 2012/13.

Recommendations

91 It is recommended that Cabinet:

- Approve the Revised Net Expenditure Budget of £443.712m for 2011/12
- Approve the revised Capital Budget including the HRA of £211.395m for 2011/12
- Note the forecast use of and contribution to Earmarked Reserves
- Note the forecast end of year position for the Cash Limit underspend reserves
- Note the forecast end of year position for the General Reserve
- Note the forecasted outturn position for the Housing Revenue Account.

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Appendix 1: Implications

Finance -

The report details the 2011/12 forecast of outturn position for Revenue for both the general fund and the housing revenue account and details the forecast movement on Reserves.

Staffing -

None

Risk -

None

Equality and Diversity / Public Sector Equality Duty -

None

Accommodation -

None

Crime and Disorder -

None

Human Rights -

None

Consultation -

None

Procurement -

None

Disability Issues -

None

Legal Implications -

None

Appendix 2: Revenue Summary 2011/12

	Original Budget	Revised Budget	Proposed Budget Revisions	Contribution to / Use of Earmarked Reserves	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assistant Chief Executive	10,479	10,003	297	1,032	11,332	11,052	-280
Adult Wellbeing and Health	176,328	171,025	34	-3,261	167,798	167,184	-614
Children & Young People	105,274	108,611	-2,994	554	106,171	104,654	-1,517
Neighbourhood Services	99,290	105,182	2,953	125	108,260	108,260	0
Regeneration and Economic Dev	39,617	42,180	457	-190	42,447	41,848	-599
Resources	19,125	22,290	5,221	2,797	30,308	30,302	-6
Contingencies	9,547	7,641	-6,133	0	1,508	4,008	2,500
NET COST OF SERVICES	459,660	466,932	-164	1,057	467,825	467,308	-517
Capital charges	-49,020	-49,020	164		-48,856	-48,856	0
Interest and Investment income	-577	-577			-577	-1,585	-1,008
Interest payable and similar charges	26,271	25,321			25,321	23,387	-1,934
Net Expenditure	436,334	442,656	-0	1,057	443,713	440,254	-3,459
Funded By:							
Council tax	-198,870	-198,870			-198,870	-198,870	0
Use of earmarked reserves	-260	-5,821		-1,012	-6,833	-6,833	0
Estimated net surplus on Collection Fund	-814	-814			-814	-814	0
Revenue Support Grant	-55,596	-55,596			-55,596	-55,596	0
Re-distributed Non Domestic Rates	-179,861	-179,861			-179,861	-179,861	0
New Homes Bonus	0	0			0	-1,300	-1,300
Forecast contribution to Cash Limit Reserve	-933	-1,694		-45	-1,739	1,278	3,017
Forecast contribution to General Reserves	0	0			0	1,742	1,742
TOTAL	0	0	-0	-0	-0	-0	0

Appendix 2 (continued): Movement On Reserves 2011/12

	Original Budget	Revised Budget	Projected Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000
General Reserve				
Budgetted Use of General Reserve				
Budgetted Use of General Reserve	0	0	0	0
Transfer to/from General Reserve				
Outside Cash Limit Service Under/Overspend	0	0	0	0
Under/Overspends on Corporate Financing Budgets	0	0	0	0
Contingencies		0	2,500	2,500
Capital charges		0	0	0
Interest and Investment income		0	-1,008	-1,008
Interest payable and similar charges		0	-1,934	-1,934
New Homes Bonus		0	-1,300	-1,300
			0	0
	0	0	-1,742	-1,742
Service Under / Overspends				
Assistant Chief Executive	0	0	-280	-280
Adult Wellbeing and Health	0	0	-614	-614
Children and Young People	0	0	-1,516	-1,516
Neighbourhood Services	0	0	0	0
Regeneration and Economic Development	0	0	-599	-599
Resources	0	0	-6	-6
Non Budgetted Contribution to Cash Limit Reserves	0	0	-3,015	-3,015
Use of / Contribution to Cash Limit Reserves				
Assistant Chief Executive	0	126	32	-94
Adult Wellbeing and Health	0	0	0	0
Children and Young People	933	933	1,253	320
Neighbourhood Services	0	0	0	0
Regeneration and Economic Development	0	0	0	0
Resources	0	635	454	-181
Budget Revisions for use of Cash Limit Reserves	933	1,694	1,739	45
Movement on General Reserve and Cash Limit Reserves	933	1,694	-3,019	-4,713
Earmarked Reserves				
Budgetted Use of Earmarked Reserves				
Children and Young People - Planned Use of Cash Limit Reserve	0	0	0	0
Regeneration and Economic Development	260	260	260	0
Budgetted Use of Earmarked Reserves	260	260	260	0
In Year use of Reserves- including Cash Limit Reserves				
Assistant Chief Executive	0	-822	304	1,126
Adult Wellbeing and Health	0	-2,619	-5,880	-3,261
Children and Young People	0	3,376	3,610	234
Neighbourhood Services	0	4,121	4,246	125
Regeneration and Economic Development	0	2,701	2,511	-190
Resources	0	1,304	4,282	2,978
Contingencies	0	-2,500	-2,500	0
Movement on Earmarked Reserves	260	5,821	6,833	1,012
Movement on Reserves	1,193	7,515	3,814	-3,701

Appendix 3: Forecasted Revenue Summary by Expenditure / Income for the period to 31 March 2012

	Original Budget	Revised Budget	Proposed Budget Revisions	Agreed Budget	Service Groupings Forecast of Outturn	Sums Outside the Cash Limit	Contribution to / Use of Reserves	Revised Service Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	573,681	583,531	-29	583,502	581,873	-2,152	-1,740	577,981	-5,521
Premises	51,066	52,190	432	52,622	52,734	58	689	53,481	859
Transport	54,173	56,892	-64	56,828	57,470	-1	-24	57,445	617
Supplies & Services	144,590	148,472	3,451	151,923	145,893	-132	207	145,968	-5,955
Agency & Contracted	211,392	214,914	2,925	217,839	228,932	0	1,950	230,882	13,043
Transfer Payments	231,690	234,099	1,407	235,506	247,915	-10,030	-1,150	236,734	1,228
Central Costs	86,329	88,123	-313	87,810	97,251	0	0	97,251	9,441
Other	7,903	3,753	1,878	5,631	2,006	0	2,250	4,256	-1,375
Capital Charges	49,020	50,758	-1,902	48,856	48,856	0	0	48,856	0
GROSS EXPENDITURE	1,409,844	1,432,733	7,784	1,440,517	1,462,929	-12,257	2,181	1,452,853	12,337
Income									
- Specific Grants	640,387	648,296	3,115	651,411	651,655	-6,504	1,800	646,951	4,460
- Other Grants & conts	24,854	28,904	3,653	32,557	40,696	0	0	40,696	-8,139
- Sales	5,743	6,179	32	6,211	7,261	0	0	7,261	-1,050
- Fees & charges	98,359	103,833	-402	103,431	103,235	0	230	103,465	-34
- Recharges	170,920	167,734	24	167,758	179,602	0	71	179,673	-11,915
- Other	19,468	18,496	1,147	19,643	17,180	0	1,137	18,317	1,326
Total Income	959,731	973,442	7,568	981,011	999,629	-6,504	3,238	996,363	-15,352
NET COST OF SERVICES	450,113	459,290	216	459,506	463,300	-5,753	-1,057	456,490	-3,016

Appendix 4: Earmarked Reserves Position as at 31 December 2011

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	2010/11 CLOSING BALANCE	USE OF EARMARKED RESERVE IN 2011/12			2011/12 CLOSING BALANCE
			Q1 £,000	Q2 £,000	Q3 £,000	
		£,000				£,000
Earmarked Reserves						
AAP Reserve	ACE	1,104	1,104	-1,286	980	306
Members Initiative Fund Reserve	ACE	51	51			0
Members Neighbourhood Initiative Reserve	ACE	1,259	1,259	-2,086	281	1,805
Regeneration & Communities	ACE	1,880		30		1,850
Disabled Go	ACE	0			-40	40
Modern Ways of Working	ACE	0			-95	95
Communities for Health	AWH	895		425		470
Community Safety Development	AWH	22				22
Book Fund Reserve	AWH	41				41
Carers	AWH	25				25
Community Safety	AWH	53				53
Corporate Reserve	AWH	1				1
Culture and Leisure - Other Services	AWH	133		82	-82	133
Culture and Leisure	AWH	97				97
Demographic Pressures	AWH	0		-4,150	-2,150	6,300
DLI Bequests	AWH	90				90
Health and Wellbeing	AWH	382		165		217
Heritage Development	AWH	21				21
Innovation	AWH	54		54		0
MOA Development	AWH				-100	100
Outreach Health	AWH	40		40		0
Preventative Technology	AWH	303				303
Section 256	AWH				-1,783	1,783
Health Lifecheck/Initiatives	AWH/NS	194		84		110
Corporate Procurement Reserve	Corp Res	565	42	94	18	411
Corporate Reserve	Corp Res	300	29	66	-6	211
DWP ATLAS Grant Reserve	Corp Res	35	35			0
DWP IB(IS) Reassessment Reserve	Corp Res	35	35			0
DWP Local Housing Allowance Grant Reserve	Corp Res	16	16			0
Elections Reserve	Corp Res	0	0	-800		800
Housing Benefits Subsidy	Corp Res	0	0	-1,800	1,800	0
Land Search Fees	Corp Res	0	0	-1,000		1,000
Aycliffe Young People's Centre	CYPS	300			-300	600
Continuing Professional Development	CYPS	278				278
Education Reserve	CYPS	3,652	455	127		3,070
Leisure Reserves - CYPS	CYPS	52				52
LEP Reserve	CYPS	80				80
Special Projects	CYPS	60				60
Youth Forum	CYPS	64				64
Schools' Revenue Balance	CYPS	15,740				15,740
Schools' Unspent Grants	CYPS	639				639
AAP - Neighbourhoods Reserve	NS	824	824			0
Building Services Defects Liability Reserve	NS	612				612
Chester-le-Street Sports Development Reserve	NS	184	31	15	-78	216
CPAL Reserve	NS	46		-154		200
Countywide Funding Reserve	NS	251		-34		285
Durham City Sports Development Reserve	NS	76		4		72
Easington Sports Development Reserve	NS	6		-49		55
Neighbourhoods Education and Enforcement	NS	45	45			0
NETSA	NS	28				28
Registered Traders Reserve	NS	12				12
Sedgefield Sports Development Reserve	NS	160	12	158	-8	-2
Sports and Leisure - Big Lottery Grant	NS	24	3			21
Sports and Leisure - British Coal Dowry	NS	26				26
Sports and Leisure - Hawthorn to Ryhope Railway	NS	15				15
Sports and Leisure - Lanchester Valley Railway	NS	200	200			0
TAMP Funding Reserve	NS	515	150			365
Teesdale Sports Development Reserve	NS	78		-6	3	81
Wear Valley DCMS (Glenholme)	NS	23				23
Wear Valley IFU Reserve	NS	9	9			0
Wear Valley Sports Development Reserve	NS	115		1	-10	124
Dowry	NS	465	20			445
ABG Reserve	RED	3,542	235	2,542	-14	779
Commutated Sums	RED	83				83
Derwentside Business Development	RED	247				247
Derwentside Training	RED	240	30		-105	315
Durham City Vision	RED	119	35			84
East Durham Business Service Reserve	RED	223				223
East Shore Village	RED	18				18
Empty Homes	RED	25		20		5
Family Intervention Project	RED	283		82		201
Growth Point	RED	148				148
Housing Solutions	RED	540				540
LEGI Reserve	RED	1,004	511	241		252

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	2010/11 CLOSING BALANCE	USE OF EARMARKED RESERVE IN 2011/12			2011/12 CLOSING BALANCE
			Q1 £,000	Q2 £,000	Q3 £,000	
LSVT Reserve	RED	133				133
North Pennines	RED	169				169
Planning	RED	1,901	260	250	-250	1,641
Prevention Fund	RED	37				37
Regeneration Reserve	RED	578	30	-30		578
RED Regeneration Reserve	RED	470			-220	690
Restructure Reserve	RED	0		-500		500
Seaside Town Reserve	RED	200				200
Section 106 Agreements	RED	-83				-83
Social Housing Fraud	RED	50				50
Cabinet Reserve	Strat Finance	498				498
Equal Pay Reserve	Strat Finance	3,473	65			3,408
Insurance Reserve	Strat Finance	11,284		-532		11,816
Performance Reward Grant Reserve	Strat Finance	1,694	167	15	1,240	272
MTFP Redundancy and Early Retirement Reserve	Strat Finance	19,798	6,642	1,458	1,931	9,767
Sub-Total Earmarked Reserves		78,849	12,295	-6,474	1,012	72,016
Cash Limit Reserves						
Assistant Chief Executive		894	-61	65	-252	1,142
Adult Wellbeing and Health		5,423	-2,900	2,080	206	6,037
Children & Young People		1,253	525	-203	-585	1,516
Neighbourhood Services		1,292	1,211	-710	-501	1,292
Regeneration and Economic Dev		2,391	-279	-100	-220	2,990
Resources		873	977	-346	-183	425
Sub-Total Cash Limit Reserves		12,126	-527	786	-1,535	13,402
Total		90,975	11,768	-5,688	-523	85,418

Appendix 5: Forecasted Housing Revenue Account Outturn to 31 March 2012

Year to Date Budget	Year to Date Actual	Variance		Annual Budget	Projected Outturn	Forecasted Variance
£000	£000	£000		£000	£000	£000
			Income			
-41,614	-41,716	102	Dwelling Rents	-56,611	-56,707	96
			Non Dwelling Rents			
-565	-558	-7	- Garages [net of voids]	-769	-818	49
-72	-48	-24	- Shops/Other	-96	-88	-8
-49	-48	-1	Charges for Services & Facilities	-66	-71	5
0	0	0	Contributions towards Expenditure	0	-800	800
-42,300	-42,370	70	Total Income	-57,542	-58,484	942
			Expenditure			
13,699	13,207	492	ALMO Management Fee + Outsourced Contract	18,266	18,266	0
3,117	3,164	-47	Repairs & Maintenance	4,156	4,447	-291
2,869	2,483	386	Supervision & Management - General	4,592	4,401	191
800	573	227	Supervision & Management - Special	1,066	830	236
31	6	25	Rents, Rates, Taxes & other Charges	42	80	-38
3,385	2,938	447	Negative HRA Subsidy	4,514	3,917	597
8,772	8,772	0	Depreciation & Impairment of fixed assets [Net MRA Adj]	11,696	11,696	0
188	188	0	Increase/Decrease in bad debt provision	250	250	0
90	90	0	Debt Management Costs	120	120	0
32,951	31,421	1,530	Total Expenditure	44,702	44,007	695
-9,349	-10,949	1,600	Net cost of HRA services per Authority I&E Account	-12,840	-14,477	1,637
814	814	0	HRA services share of Corporate & Democratic Core	1,085	1,085	0
420	420	0	HRA share of other amounts included in the whole authority	560	400	160
			Net Cost of services but not allocated to specific services			
-8,115	-9,715	1,600	Net cost of HRA Services	-11,195	-12,992	1,797
4,968	4,749	219	Interest Payable & Similar Charges	6,624	6,333	291
3,494	5,061	-1,567	Direct Revenue Financing [Balancing Item on HRA]	4,660	6,748	-2,088
-67	-67	0	Interest & Investment Income	-89	-89	0
280	28	252	[Surplus] / Deficit for the year on HRA services	0	0	0