

Cabinet

12 September 2012



**Forecast of Revenue and Capital
Outturn 2012/13 for General Fund and
Housing Revenue Account – Period to
30 June 2012**

Report of Corporate Management Team

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Councillor Alan Napier, Portfolio Holder for Resources

Purpose of the Report

- 1 To provide Cabinet with a forecast of 2012/13 revenue and capital outturn for the period to 30 June 2012 for the Council's General Fund and Housing Revenue Account.

Background

- 2 This report is the first indication of the revenue and capital outturn for 2012/13.

Revenue

Current Position to 30 June 2012

- 3 The table overleaf compares the forecast with the revised budgets and is shown in more detail in Appendices 2 and 3:
- 4 The following adjustments have been made to the Original Budget:
 - (i) agreed budget transfers between Service Groupings;
 - (ii) additions to budget for items outside the cash limit (for Cabinet approval);
 - (iii) planned use of or contribution to Earmarked Reserves (see Appendix 4).

	Original Budget	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000
Assistant Chief Executive	11,369	11,365	11,000	-365
Adult Wellbeing and Health	172,433	170,530	168,311	-2,219
Children & Young People	100,845	101,354	101,358	4
Neighbourhood Services	98,176	100,703	101,200	497
Regeneration and Economic Dev	42,513	43,770	43,670	-100
Resources	20,369	22,437	21,779	-658
Contingencies	11,248	10,342	10,342	0
NET COST OF SERVICES	456,953	460,501	457,660	-2,841
Capital charges	-49,115	-49,115	-49,115	-0
Interest and Investment income	-577	-577	-1,109	-532
Interest payable and similar charges	30,715	30,715	28,212	-2,503
Net Expenditure	437,976	441,524	435,648	-5,876
Funded By:				
Council tax	-201,788	-201,788	-201,788	0
Council tax freeze grant	-4,989	-4,989	-4,989	0
Use of earmarked reserves	-2,633	-5,879	-5,879	0
Revenue Support Grant	-4,245	-4,245	-4,245	0
Re-distributed Non Domestic Rates	-219,006	-219,006	-219,006	0
New Homes Bonus	-2,551	-2,551	-2,551	0
Forecast contribution from Cash Limit Reserve	-2,764	-3,066	-225	2,841
Forecast contribution to General Reserves	0	0	3,035	3,035
TOTAL	-0	-0	-0	-0

Note: Negative figures in the variance column represent an underspend

- 5 The sums Service Groupings have proposed as being outside the Cash Limit are detailed below:

SERVICE GROUPING	PROPOSAL	Amount
		£m
Neighbourhoods	Flooding	0.508
	Olympic Torch Event	0.133
RED	Whinney School – Security (Surplus Property)	0.080
Resources	Contribution to Newcastle Airport Support	0.084
	Disturbance Allowances	0.092
	Coroner's Service	0.008
Total		0.905

- 6 After adjusting the budgets as detailed above the forecast outturn for Cash Limit Reserves and the General Reserve are summarised below:

Type of Reserve	Opening Balance as at 1 April 2012	Budgetted use at 1 April 2012	Movement during 2012/13		2012/13 Forecast Outturn
			Planned use of reserve	Contribution to (-) or use of reserve	
	£m	£m	£m	£m	£m
Service Grouping Cash Limit					
Assistant Chief Executive	-1.133	0.344	0.057	-0.365	-1.097
Adults, Wellbeing and Health	-6.404	1.387	0.000	-2.219	-7.236
Children and Young Peoples Service	-1.688	0.933	0.000	0.004	-0.751
Neighbourhoods	-2.205	0.100	0.000	0.497	-1.608
Regeneration and Economic Development	-2.960	0.000	0.150	-0.100	-2.910
Resources	-1.496	0.000	0.095	-0.658	-2.059
TOTAL CASH LIMIT RESERVE	-15.886	2.764	0.302	-2.841	-15.661
General Reserve	-21.874	0.000	0.000	-3.035	-24.909

- 7 The reasons for the major variances are detailed by each Service Grouping below.

Assistant Chief Executive

- 8 The Service is reporting a forecast outturn underspend of £0.365m after accounting for the use of earmarked reserves to carry out planned activity in relation to the implementation of the Community Building initiative.
- 9 The managed forecast underspend is a result of proactive management of activity by Heads of Service across ACE.

- 10 In line with corporate policy employees salaries are budgeted at 97%. As a result of low vacancy levels within the service following restructures (driven by the requirement to meet MTFP savings targets) employee costs are forecasting a small overspend £86k representing 1.3% of the employees' budget. The forecast overspend in employees is being managed within the service by adjusting planned activity else where within ACE to ensure this overspend is offset.
- 11 The Premises, Transport and Supplies & Services areas of activity are under constant review by managers to minimise spending while still delivering a high level of service and as a result they are expected to deliver a £0.388m underspend.
- 12 Additional activity, primarily in relation to a participatory budget exercise in the Stanley AAP area, is leading to an additional forecast spend of £58k within Transfer payments, and this is fully funded by planned additional income accessed for this purpose by Partnership & Community Engagement.
- 13 Income is forecast to over recover by £0.120m primarily related to activity within Partnership & Community Engagement where managers have been able to identify and access additional funding to support additional activity within the AAP areas.
- 14 Each of the 14 area action partnerships (AAP) have an 'Area' budget to contribute to local projects of £0.120m in 2012/13. Combined with revenue budgets carried forward from previous years (related to committed expenditure on agreed projects) the total revenue budget across all 14 AAP's is £2.370m. Detailed planning is currently underway to finalise the activity for 2012/13 financial year that includes £1.070m of expenditure that had been committed to projects in 2011/12.
- 15 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. Underspends on these budgets in 2011/12 have been brought forward into 2012/13 and the total revenue budget for 2012/13 is £3.495m.

Adults, Wellbeing and Health

- 16 The 2012/13 projected outturn position for Adults, Wellbeing and Health as at 30 June 2012 is a cash limit underspend of £2.219m. This takes into account adjustments for sums outside the cash limit such as redundancy costs which are met from the strategic reserves, capital accounting entries and use of / contributions to earmarked reserves.
- 17 The main reasons accounting for the projected outturn position are as follows:
 - 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 a projected net underspend for the year of approximately £2.5m;

- Net spend on care packages is approximately £1m below budget. This area of spend is closely monitored to assess the impact of demographic changes. Savings have arisen from consistent and effective application of the existing eligibility criteria, reducing the level of care packages subsequently commissioned. The service is reviewing its approach to current savings in order to consider increasing the saving associated with consistent application of eligibility criteria. This will need to be carefully considered in light of transition cases, potential for ordinary residence claims and the potential for increased care package costs linked to older carers and general increases in demand;
- AWH managers have reviewed plans in respect of available one-off additional funding, which has created an in-year contribution to the overall cash limit of £0.78m. This funding will be utilised to resource the work associated with the outcomes of the LGA efficiency work linked to the transformation agenda in social care for children and adults;
- To assist in the management of the demographic pressures facing the service over the MTFP period, the service has targeted a planned underspend for 2012/13, repeating the approach applied in previous years, and a further contribution of £2m to the reserve for demographic pressures/hyperinflation will be actioned during the year;
- A planned underspend within the cultural programme budget has allowed the creation of a £0.3m reserve to fund future programme activity. This will fund the council's contribution for the Lumiere Festival in 2013.

18 Taking the projected outturn position into account, the cash limit reserve to be carried forward for Adults, Wellbeing and Health is £7.236m

Children and Young People's Services

19 The Service is reporting a forecast outturn in line with budget after:

- Accounting for redundancy costs met from the MTFP Redundancy and Early Retirement reserve (£0.304m);
- Accounting for the use of Earmarked Reserves to meet the cost of planned redundancy payments within Aycliffe Secure Services (£0.213m);

20 There are pressures in Children's Care the most significant of which is in relation to spend on independent foster agencies and fostering allowances forecast to overspend by £0.84m.

21 A further area of potential overspend within Children's Care is in transport where the funding of contact visits authorised by courts and excess school travel costs could result in the budget being exceeded by £0.54m.

- 22 The above areas of overspend are balanced by employee vacancies across CYPs (£0.64m), additional income (£0.41m), and a forecast underspend in transfer payments where there is a reduction in demand for Direct Payments (£0.33m).

Neighbourhood Services

- 23 The forecast revenue outturn for 2012/13 is currently showing an overspend of £0.497m.
- 24 Since the original budget was set in February, the Neighbourhoods' revenue budget has been revised to take account of transfers between Neighbourhood Services and Other Service Groupings. These relate to the transfer of the Flood Defence Levy (£395k) to Central Services and the transfer of Assets functions (£526k) to Neighbourhood Services. This has resulted in a revised revenue budget of £97.255m.
- 25 The overspend of £0.497m takes in to account the forecast use of a number of earmarked reserves (including the ER/VR reserve), and is also based on £0.508m of repair costs relating to the recent flooding incidents in June and July being outside the cash limit.
- 26 The main reasons for the projected overspend of £0.497m are as follows;
- There is a forecast overspend of £0.111m within Direct Services due a fall in the projected income from Trade Refuse, and also a £0.125m fall in the income from the sale of dry recyclates due to falling market prices.
 - Within Customer Services, there is an anticipated overspend of £0.174m in relation to employee costs. This is due to a higher number of agency staff being used to address high call volumes in the run up to the implementation of the new structure.
 - There is a forecast overspend of £95k in relation to Sport & Leisure which is mainly due to the anticipated delay in the closure of the Lamplight Centre which is an MTFP efficiency in the current year.
- 27 While the service is currently forecasting an overspend of £0.497m, it should be noted that, the service also has a cash limit surplus brought forward from 2011/12 of £2.205m should this be required.

Regeneration and Economic Development (RED)

- 28 The 2012/13 forecast outturn for Regeneration and Economic Development is a cash limit underspend of £0.100m. This takes into account adjustments for sums outside the cash limit such as redundancy costs which are met from an earmarked reserve, year end capital accounting entries and use of / contributions to earmarked reserves.
- 29 The main reasons accounting for the outturn position are shown below:
- Strategy Programmes and Performance - £38k saving due to freezing of vacant posts.

- Economic Development and Housing - £5k overspend.
- Planning and Assets - £0.147m underspend which is broken down into a £0.280m underspend in the Planning service and a £0.133m overspend on Assets. Building control income is lower than budget by £0.200m although planning fee income is higher and is offsetting this budget pressure. Assets is experiencing income pressures mainly from Newgate Street in Bishop Auckland and Millenium Square in Durham City where rental income is not being achieved.
- Transport - £0.160m overspend of which £40k relates to staffing to cover absence. In addition, there is a considerable number of concessionary fares bus passes due for renewal this year and the estimated cost is projected to be £0.120m higher than budget.

30 Included in the Assets overspend is the costs of dealing with surplus property relating to Whinney School. The policy on significant surplus property costs is that these are outside of service cash limits and Cabinet is asked to confirm the £80k additional costs being incurred by RED on a similar basis. If agreed this will result in a projected cash limit underspend of £0.100m as reported above.

Resources

- 31 The Service is reporting a forecast cash limit underspend of £0.658m after accounting for items of expenditure treat as outside the cash limit and transfers to and from earmarked reserves;
- 32 The major reason behind the reported underspend relates to savings on employee costs, which are forecast to be £0.671m below budget. The majority of this underspend is as a result of the early achievement of 2013/14 MTFP saving requirements, linked to the unitisation of finance and human resources.
- 33 Supplies and Services are projected to underspend by £62k and includes a reduction in external audit costs, offset by a forecast shortfall in income of £75k. The loss of income relates to a forecast under recovery of income in Human Resources in respect of training fees mitigated in part by additional income within the Revenues and Benefits service in Finance.
- 34 Sums treated as outside the cash limit total £0.184m and consist of the following items:
- £92k in respect of staff travelling expenses (disturbance allowances) resulting from the office accommodation review;
 - a £84k contribution to support costs in respect of Newcastle Airport which is managed on behalf the seven local authorities by South Tyneside;
 - £8k in respect of the Coroners Service

- 35 A range of items, totalling £1.216m, are being funded through the application of earmarked reserves held corporately and within Resources:
- £0.739m use of the corporate redundancy reserve connected with MTFP linked restructuring exercises;
 - £72k use of the resources cash limit reserve to fund work packages/temporary agency staff within the Revenues & Benefits service;
 - £37k use of the procurement reserve to fund developments of the procurement process;
 - £23k use of the Cash Limit reserve to fund the one off purchase of equipment for Electoral services;
 - £0.296m use of specific reserves to fund developments associated with the Civica Revenues & Benefits ICT system; and
 - £49k use of the Equal Pay reserve to fund the implementation of the Job Evaluation exercise.
- 36 The outturn forecast for Housing / Council Tax Benefit payments and subsidy receivable will be updated in line with the mid-year subsidy return in September and available for the quarter 2 budgetary control report. These budgets are treated as outside the resources cash limit.

Central Budgets

- Interest Payable and Similar Charges - Capital Financing

- 37 During the quarter a review of capital financing costs has led to a forecast underspend of £2.503m. 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

- 38 The forecast of outturn is an overachievement of income of £0.532m which is due to a higher than anticipated level of cash balances. This is due in the main to slower than expected use of reserves and capital spend.

- Local Authority Central Spend Equivalent Grant (LACSEG) Fund

- 39 Following a successful legal challenge the early indication is that Durham County Council is likely to receive an amount of £0.640m in 2012/13 in respect of the Government's top slice of the LACSEG grant in 2011/12 which has now been proved to have been 'illegal'.

Earmarked Reserves Forecast

40 Appendix 4 details the forecast use of Earmarked Reserves in 2012/13. Based on the latest forecast the position at the end of the year is estimated to be as follows:

	Non-Schools	Schools and DSG	Cash Limits	TOTAL
	£m	£m	£m	£m
Opening Earmarked Balances as at 1 April 2012	-59.439	-25.100	-15.886	-100.425
Less				
Forecasted usage of Earmarked Reserves	5.879	-0.000	0.225	6.104
Closing Earmarked Reserve Balance as at 31 March 2013	-53.560	-25.100	-15.661	-94.321

Housing Revenue Account (HRA)

41 In summary, the HRA in Appendix 5 shows a balanced outturn position on the revenue account after using a projected surplus of £1.009m towards the capital programme. The main variances are explained below:

42 Dwelling Rents £0.150m additional income – this results from reduced volume of Right to Buys in the current year which means that rental income continues to be received for properties assumed to have been sold;

43 £0.240m of additional income from receipt of Northumbrian Water Authority Water Commission Charges and the receipt of administration charges from furniture packs (not previously budgeted for) at Durham City Homes;

44 Repairs and Maintenance £0.382m overspend – this is attributable to a higher than anticipated demand for repairs;

45 HRA Subsidy £94k underspend – this is a refund due to the Council resulting from Housing Subsidy payments made to the DCLG in 2011/12;

46 Interest Payments £0.884m underspend – this results from a lower interest rate and lower Outstanding Loan Debt than originally anticipated.

47 Revenue Support to Capital £1.009m surplus – the balancing item on the HRA which identifies the potential resources available to support the capital programme and reduce our reliance on borrowing.

Capital

Background

- 48 The General Fund (GF) capital budget for 2012/13 was set at £197.436m and was approved by Cabinet on 22 February 2012. Re-profiling from the 2011/12 capital programme into 2012/13, amounting to £32.213m, was reported to Cabinet on 11 July 2012.
- 49 The Housing Revenue Account (HRA) budget was set at £44.854m with re-profiling of £1.465m from 2011/12 to 2012/13.
- 50 MOWG has since reviewed the capital programme and taken into account further developments and analysis of changes and demands on resources.

Current Position

- 51 As part of the Medium Term Financial Plan 2, services have re-profiled the capital programme over the years in which expenditure is expected to be incurred.
- 52 The tables below summarise the original budget, slippage and revisions reported to MOWG. The tables also show the forecast outturn for each service and actual spend as at 30 June 2012:

General Fund Capital Programme 2012/13

Service	Original Budget	Re-profiling from 2011/12	Amendments recommended by MOWG	Revised Budget 2012/13	Projected Outturn 2012/13	Actual Spend to 30th June 2012
ACE	3,703	641	-1,466	2,878	1,679	223
AWH	2,059	301	-904	1,456	1,456	21
CYPS	96,580	12,443	-7,090	101,933	95,282	10,554
NEI	29,867	1,321	-1,005	30,183	28,497	4,004
RED	43,079	16,743	-4,992	54,829	54,829	5,462
RES	22,148	611	-18,801	3,958	3,958	799
Other	-	153	-	153	-	-
Total	197,436	32,214	-34,259	195,391	185,701	21,064

Housing Revenue Account Capital Programme 2012/13

Service	Original Budget	Re-profiling from 2011/12	Amendments recommended by MOWG	Revised Budget 2012/13	Projected Outturn 2012/13	Actual Spend to 30th June 2012
HRA	44,854	1,465	-574	45,744	45,744	5,716

- 53 The tables below summarises the recommended financing of the revised capital programme:

Financing – General Fund Capital Programme 2012/13

Financing	Original Budget	Re-profiling from 2011/12	Amendments recommended by MOWG	Revised Budget 2012/13
Grants & Conts	85,498	14,300	-16,506	83,292
Revenue and Reserves	5,426	380	-1,815	3,991
Capital Receipts	21,608	-	190	21,798
Borrowing	84,904	17,534	-16,128	86,311
Total	197,436	32,214	-34,259	195,391

Financing – Housing Revenue Account Capital Programme 2012/13

Financing	Original Budget	Re-profiling from 2011/12	Amendments recommended by MOWG	Revised Budget 2012/13
Grants & Conts	13,000	-	-	13,000
Revenue and Reserves	22,080	-	1,000	23,080
Capital Receipts	525	-	-	-
Borrowing	9,249	1,465	-1,574	9,664
Total	44,854	1,465	-574	45,744

54 Detailed below are the commentaries from each Service Grouping:

Assistant Chief Executive (ACE)

55 The Original ACE Capital Programme 2012/13 was £3.703m. Re-profiling from 2011/12 of £0.641m was agreed and recommended for Cabinet approval in the 2011/12 Outturn Report in July 2012. This resulted in a revised budget of £4.344m.

56 The Capital Member/Officer Working Group have met to review progress against the agreed programme on a scheme by scheme basis. Reasons for any slippage and necessary reprofiling have been thoroughly challenged.

57 Planned and budgeted capital expenditure of £0.941m will be reprofiled into 2013/14 and £0.525m will be transferred to other services. Budgets will be adjusted in year accordingly.

58 This results in a revised 2012/13 ACE Capital Programme of £2.878m.

59 The current identified capital expenditure for ACE is £1.679m, leaving capital of £1.200m available. This forecast will be closely monitored and revised throughout the year, as approval to proposed Members Neighbourhood Capital projects progress.

Adults, Wellbeing and Health

60 The 2012/13 capital spend for Adults, Wellbeing and Health as at 30 June 2012 is £21k, against a revised budget recommended by the Capital Member/Officer Working Group (MOWG) of £1.456m. Anticipated spend for the year at present is in line with the current budget.

Children and Young People's Services

61 The original CYPS capital programme for 2012/13 agreed by Council in February 2012 was £58.89m. This was increased by budget reprofiling and slippage of £47.80m from 2011/12 to give a revised programme of £106.69m. In May 2012 MOWG agreed to reprofile £4.76m of the 2012/13 budget into 2013/14, giving a revised capital programme of £101.93m for 2012/13.

62 The capital funds currently available have been reprofiled to reflect latest planning and construction timelines and the planned spend over the next 3 financial years is set out below:-

2012/2013	£101.93m
2013/2014	£38.82m
2014/2015	£0.53m

63 The projected capital outturn of £95.28m for 2012/13 is £6.65m lower than the revised budget. A report to MOWG in September will recommend reprofiling CYPS capital budget in line with the latest outturn projection. Reasons for the variance are set out below.

64 The 2012/13 Basic Need budget is likely to be underspent by £0.106m and this amount will be reprofiled into 2013/14. This is due to delays in finalising the design on a project to provide additional places at Etherley Lane Primary, following discussions between the school and the local authority.

65 £4.6m of the 2012/13 Capital Maintenance budget will be reprofiled into 2013/14 at the September MOWG. The success of the Council's Priority Schools Building Programme (PSBP) bid has enabled the Capital Maintenance budget to be redirected to other schools in poor condition and construction work will not commence until at least 2013/14.

66 The Primary Capital and Modernisation budget is likely to underspend by £0.646m, with this amount being reprofiled into 2013/14. This amount relates to demolition costs and work to outdoor areas at the new primary schools which are currently under construction at South Moor Greenland and Kirk Merrington.

67 £1.3m of the Schools Devolved Formula Capital budget is to be reprofiled from 2012/13 to 2013/14 and will be considered at the September MOWG. Cuts to Devolved Formula Capital allocations in recent years have resulted in schools choosing to use their allocations over more than one financial year.

Neighbourhood Services

68 The forecast outturn for Neighbourhood Services is currently projecting an underspend of £1.686m.

69 The main reasons for this variance are as follows;

- The scheme to replace Queen Street Depot is currently expected to underspend by £1.448m. Ground investigations have commenced and once the results of these investigations are received further decisions will be made as to the progress of this new depot. Even if favourable investigations are received, works will not be able to commence until November/December 2012 and therefore it is anticipated that only £0.725m of this budget will be expended this financial year.

- The project to introduce a new Computerised Repairs Management system within Building Services is now expected to underspend by £600k. It was originally expected that the new system would be procured from an external source, but it has been possible for existing systems to be upgraded by ICT at a much lower cost. It is anticipated that £150k of this budget will be needed to complete works during this financial year and the remaining budget of £0.600m will be under spent.
- The Vehicle & Plant replacement budget is currently projecting an underspend of £0.141m, but it is intended to request that this be carried forward to cover the shortfall of budget available in 2013/14.
- These underspends in the capital programme are partially offset by additional capital expenditure of approximately £0.475m that has had to be incurred following the recent flood incidents to complete essential repairs to the highway asset. This consists of £0.225m relating to embankment slippages, footways, and carriageways, £0.100m for bridges, and a further £0.150m for flood mitigation works and property protection. This will result in a capital overspend, unless additional capital resources can be identified, or alternatively some existing capital schemes are deferred.

Regeneration and Economic Development (RED)

- 70 The Regeneration and Economic Development capital programme was revised at Outturn for budget rephased from 2011/12 and Assets budgets transferred from the Resources service grouping. This increased the 2012/13 budget to £65.325m. A report to the MOWG in July detailed further revisions, for grant additions/reductions, budget transfers and budget reprofiling into later years. The revised budget now stands at £54.079m.
- 71 Actual spend for the first three months amounts to £5.462m for the General Fund. It is anticipated that the projected outturn at 31 March 2013 will be in line with the revised budget.

Resources

- 72 The Original Resources Capital Programme 2012/13 was £22.148m. Re-profiling from 2011/12 of £0.611m was agreed and recommended for Cabinet approval in the 2011/12 Outturn Report in July. This resulted in a revised budget of £22.759m.
- 73 The Capital Member/Officer Working Group continue to review progress against the agreed programme on a scheme by scheme basis. Reasons for any slippage and necessary reprofiling have been thoroughly challenged.
- 74 Projects progressed ahead of schedule in 2011/12 leading to £0.120m of 2012/13 capital budget (relating to the same initiative) being invested in 2011/12. Planned and budgeted capital expenditure of £11.854m will be reprofiled into 2012/13 and £6.827m will be transferred to other services. Budgets will be adjusted in year accordingly.

75 This results in a revised 2012/13 Resources Capital Programme of £3.958m. It is anticipated that the full capital budget will be spent in 2012/13. This forecast will be closely monitored and revised throughout the year.

Housing Revenue Account (HRA)

76 The 2012/13 HRA Capital Programme, as agreed by Council on 22 February 2012, was £44.854m and this was subsequently increased by £0.890m reflecting re-profiling from 2011/12 and to 2013/14 plus savings in the budget, giving a total revised budget of £45.744m.

77 Actual spend for the first three months amounts to £5.716m for the HRA. It is anticipated that the projected outturn at 31 March 2013 will be in line with the revised budget.

Recommendations

78 It is recommended that Cabinet:

- Note the projected change in the Council's overall financial position for 2012/13.
- Consider the proposed 'sums outside the cash limit' for approval.
- Note the revenue and capital budget adjustments.
- Approve taking a report to MOWG in respect of a revision to the Capital Programme in respect of the £0.475m for recent flood incidents outlined in paragraph 69.
- Note the forecast use of Earmarked Reserves.
- Note the forecast end of year position for the Cash Limit underspend reserves.
- Note the position for the Capital Programme,
- Note the position for the Housing Revenue Account.

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Appendix 1: Implications

Finance -

The report details the 2012/13 forecast of outturn position for Revenue and Capital and details the forecast movement on Reserve.

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 2012/13

	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	11,369	11,369	-61	57	11,365	11,000	-365
Adult Wellbeing and Health	172,433	172,433	-2,640	737	170,530	168,311	-2,219
Children & Young People	100,845	100,845	-8	517	101,354	101,358	4
Neighbourhood Services	98,176	98,176	-280	2,807	100,703	101,200	497
Regeneration and Economic Dev	42,513	42,513	543	714	43,770	43,670	-100
Resources	20,369	20,369	852	1,216	22,437	21,779	-658
Contingencies	11,248	11,248	1,594	-2,500	10,342	10,342	0
NET COST OF SERVICES	456,953	456,953	-0	3,548	460,501	457,660	-2,841
Capital charges	-49,115	-49,115			-49,115	-49,115	-0
Interest and Investment income	-577	-577			-577	-1,109	-532
Interest payable and similar charges	30,715	30,715			30,715	28,212	-2,503
Net Expenditure	437,976	437,976	-0	3,548	441,524	435,648	-5,876
Funded By:							
Council tax	-201,788	-201,788			-201,788	-201,788	0
Council tax freeze grant	-4,989	-4,989			-4,989	-4,989	0
Use of earmarked reserves	-2,633	-2,633		-3,246	-5,879	-5,879	0
Revenue Support Grant	-4,245	-4,245			-4,245	-4,245	0
Re-distributed Non Domestic Rates	-219,006	-219,006			-219,006	-219,006	0
New Homes Bonus	-2,551	-2,551			-2,551	-2,551	0
Forecast contribution from Cash Limit Reserve	-2,764	-2,764		-302	-3,066	-225	2,841
Forecast contribution to General Reserves	0	0			0	3,035	3,035
TOTAL	-0	-0	-0	0	-0	-0	-0

Appendix 3: Revenue Summary by Expenditure / Income for the period ended 31 March 2013

	Original 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
Employees	516,389	716	517,106	518,932	-8	-4,155	514,769	-2,337
Premises	55,144	-3,453	51,691	52,356	0	-159	52,197	506
Transport	52,620	9	52,629	53,406	-92	-2	53,311	682
Supplies & Services	120,541	4,948	125,490	128,158	-164	-1,327	126,667	1,177
Agency & Contracted	228,398	-3,020	225,377	224,870	-641	-1,809	222,420	-2,957
Transfer Payments	258,751	-1,953	256,798	257,032	0	0	257,032	234
Central Costs	85,038	8,140	93,179	93,516	0	-280	93,236	58
Other	1,131	-252	879	1,080	0	2,000	3,080	2,201
Capital Charges	49,115	0	49,115	49,115	0	0	49,115	0
GROSS EXPENDITURE	1,367,128	5,136	1,372,264	1,378,465	-905	-5,732	1,371,828	-437
Income								
- Specific Grants	597,299	8,629	605,928	605,284	0	0	605,284	644
- Other Grants & conts	25,984	1,633	27,618	30,501	0	0	30,501	-2,884
- Sales	8,397	186	8,583	8,543	0	0	8,543	40
- Fees & charges	102,147	4,750	106,898	103,267	0	0	103,267	3,631
- Recharges	172,201	-5,747	166,454	169,210	0	316	169,526	-3,072
- Other	15,394	-1,817	13,578	14,342	0	0	14,342	-764
Total Income	921,423	7,635	929,058	931,147	0	316	931,463	-2,404
NET COST OF SERVICES	445,705	-2,499	443,206	447,318	-905	-6,048	440,365	-2,841

Appendix 4: Earmarked Reserves Position as at 30 June 2012

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	2011/12 CLOSING BALANCE	USE OF RESERVES	CONTRIBUTION TO RESERVES	TRANSFERS BETWEEN RESERVES	TOTAL MOVEMENT ON RESERVES	2012/13 CLOSING BALANCE
ACE AAP/Members Reserve	ACE	-2,364	0	0	0	0	-2,364
ACE Grant Reserve	ACE	-233	0	0	0	0	-233
ACE Operational Reserve	ACE	-140	0	0	0	0	-140
ACE Regeneration and Communities Reserve	ACE	0	0	0	0	0	0
Heritage and Culture Reserve	AWH	-209	100	-300	0	-200	-409
Social Care Reserve	AWH	-9,368	4,478	-2,000	0	2,478	-6,890
Health and Wellbeing Reserve	AWH	-1,347	902	0	0	902	-445
Community Safety Reserve	AWH	-75	75	0	0	75	0
Aycliffe Young People's Centre Reserve	CYPS	-475	213	0	0	213	-262
Continuing Professional Development Reserve	CYPS	-373	0	0	0	0	-373
Education Reserve	CYPS	207	0	0	0	0	207
CYPS Leisure Reserve	CYPS	-52	0	0	0	0	-52
LEP Reserve	CYPS	0	0	0	0	0	0
Special Projects Reserve	CYPS	-60	0	0	0	0	-60
Youth Forum Reserve	CYPS	0	0	0	0	0	0
Neighbourhoods AAP Reserve	NS	-504	163	0	0	163	-341
Customer Services Reserve	NS	-360	300	0	0	300	-60
Direct Services Reserve	NS	-1,406	116	0	0	116	-1,290
Env. Health and Consumer Protection Reserve	NS	-141	129	0	0	129	-12
Sport and Leisure Reserve	NS	-1,765	537	-101	0	436	-1,329
Strategic Waste Reserve	NS	-104	104	0	0	104	0
Transport Asset Management Programme Reserve	NS	-365	26	0	0	26	-339
Economic Development Reserve	RED	-1,666	40	0	0	40	-1,626
Planning Reserve	RED	-1,774	127	0	0	127	-1,647
Employability and Training Reserve	RED	-855	0	-20	0	-20	-875
RED Regeneration Reserve	RED	-990	0	0	0	0	-990
Housing Regeneration Reserve	RED	-95	63	0	0	63	-32
Housing Solutions Reserve	RED	-1,321	0	0	0	0	-1,321
Restructure Reserve	RED	-500	0	0	0	0	-500
LSVT Reserve	RED	-122	0	0	0	0	-122
Transport Reserve	RED	-364	0	0	0	0	-364
Funding and Programmes Management Reserve	RED	-193	37	0	0	37	-156
North Pennines Reserve	RED	0	0	0	0	0	0
Resources Corporate Reserve	Resources	-1,164	38	0	0	38	-1,126
Resources DWP Grant Reserve	Resources	-159	96	0	0	96	-63
Resources System Development Reserve	Resources	-700	200	0	0	200	-500
Resources Housing Benefit Subsidy Reserve	Resources	-1,200	0	-900	0	-900	-2,100
Resources Land Search Fees Reserve	Resources	-1,000	0	0	0	0	-1,000
Resources Elections Reserve	Resources	-800	0	0	0	0	-800
Corporate Regeneration Reserve	Corporate Fin	-578	163	0	0	163	-415
Cabinet Reserve	Corporate Fin	-498	0	0	0	0	-498
Equal Pay Reserve	Corporate Fin	-3,408	50	-1,600	0	-1,550	-4,958
Insurance Reserve	Corporate Fin	-11,841	0	0	0	0	-11,841
Performance Reward Grant Reserve	Corporate Fin	-1,319	149	0	0	149	-1,170
MTFP Redundancy and Early Retirement Reserve	Corporate Fin	-9,552	2,694	0	0	2,694	-6,858
New Homes Bonus Reserve	Corporate Fin	-206	0	0	0	0	-206
Total Non-Schools Reserve		-59,439	10,800	-4,921	0	5,879	-53,560
Schools' Balances							
Schools' Revenue Balance	CYPS	-20,890	0	0	0	0	-20,890
Schools' Unspent Grants	CYPS	0	0	0	0	0	0
DSG Reserve	CYPS	-4,210	0	0	0	0	-4,210
Total Schools and DSG Reserve		-25,100	0	0	0	0	-25,100
Cash Limit Reserves							
Assistant Chief Executive		-1,133	401	-365	0	36	-1,097
Adult Wellbeing and Health		-6,404	1,387	-2,219	0	-832	-7,236
Children & Young People		-1,688	937	0	0	937	-751
Neighbourhood Services		-2,205	597	0	0	597	-1,608
Regeneration and Economic Dev		-2,960	150	-100	0	50	-2,910
Resources		-1,496	95	-658	0	-563	-2,059
Total Cash Limit Reserves		-15,886	3,567	-3,342	0	225	-15,661
Total Earmarked Reserves		-100,425	14,367	-8,263	0	6,104	-94,321

Appendix 5: Forecasted Housing Revenue Account to 31 March 2013

Year to Date Budget	Year to Date Actual	Variance		Annual Budget	Projected Outturn	Forecasted Variance
£000	£000	£000		£000	£000	£000
			Income			
-15,375	-15,424	49	Dwelling Rents	-60,115	-60,265	150
			Non Dwelling Rents			
-229	-236	7	- Garages [net of voids]	-899	-899	0
-24	-29	5	- Shops/Other	-96	-96	0
-14	-10	-4	Charges for Services & Facilities	-56	-56	0
0	-119	119	Contributions towards Expenditure	0	-240	240
-15,642	-15,818	176	Total Income	-61,166	-61,556	390
			Expenditure			
4,317	4,317	0	ALMO Management Fee + Outsourced Contract	17,266	17,266	0
1,029	1,094	-65	Repairs & Maintenance	4,117	4,499	-382
1,080	804	276	Supervision & Management - General	4,323	4,284	39
137	121	16	Supervision & Management - Special	549	565	-16
25	0	25	Rents, Rates, Taxes & other Charges	100	100	0
0	0	0	Negative HRA Subsidy	0	-94	94
4,289	4,289	0	Depreciation & Impairment of fixed assets [Net MRA Adj]	17,158	17,158	0
229	229	0	Increase/Decrease in bad debt provision	916	916	0
47	47	0	Debt Management Costs	186	186	0
11,153	10,901	252	Total Expenditure	44,615	44,880	-265
-4,489	-4,917	428	Net cost of HRA services per Authority I&E Account	-16,551	-16,676	125
271	271	0	HRA services share of Corporate & Democratic Core	1,085	1,085	0
101	101	0	HRA share of other amounts included in the whole authority Net Cost of services but not allocated to specific services	402	402	0
-4,117	-4,545	428	Net cost of HRA Services	-15,064	-15,189	125
3,059	2,838	221	Interest Payable & Similar Charges	12,234	11,350	884
731	982	-251	Direct Revenue Financing [Balancing Item on HRA]	2,922	3,931	-1,009
-29	-29	0	Interest & Investment Income	-115	-115	0
-356	-754	398	[Surplus] / Deficit for the year on HRA services	-23	-23	0