

Cabinet

10 September 2014



**Forecast of Revenue and Capital
Outturn 2014/15 for General Fund and
Housing Revenue Account – Period to
30 June 2014**

**Report of Corporate Management Team
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Purpose of the Report

- 1 To provide Cabinet with a forecast of 2014/15 revenue and capital outturn for the period to 30 June 2014 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 2014/15 based on actual expenditure and known commitments as at 30 June 2014, together with the forecast balances on general and earmarked reserves at 31 March 2015.
- 3 The report also provides an update on the Collection Fund in terms of Council Tax and Business Rates forecast outturn.

Revenue - Current Position to 30 June 2014

- 4 The table overleaf compares the forecast with the revised budgets and is shown in more detail in Appendices 2 and 3.
- 5 The following adjustments have been made to the Original Budget that was agreed by Full Council in February 2014:
 - (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).

Forecast of General Fund Revenue Outturn 2014/15

	Original Budget 2014/15	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000
Assistant Chief Executive	10,200	10,231	10,181	-50
Children and Adults Services	275,231	276,573	273,372	-3,201
Neighbourhood Services	109,765	114,515	114,029	-486
Regeneration and Economic Development	42,653	44,544	44,120	-424
Resources	14,447	14,943	14,545	-398
Cash Limit Position	452,296	460,806	456,247	-4,559
Contingencies	7,706	7,832	7,832	0
Corporate Costs	3,924	3,801	3,541	-260
NET COST OF SERVICES	463,926	472,439	467,620	-4,819
Capital charges	-50,474	-50,474	-50,474	0
Interest and Investment income	-1,441	-1,441	-1,675	-234
Interest payable and similar charges	38,444	38,291	35,791	-2,500
Net Expenditure	450,455	458,815	451,262	-7,553
Funded By:				
Council tax	-168,844	-168,844	-168,844	0
Use of earmarked reserves	-8,140	-15,978	-15,978	0
Start up Funding Assessment	-250,409	-250,409	-250,409	0
New Homes Bonus	-6,784	-6,784	-6,783	1
New Homes Bonus - Re-imburement	-390	-390	-381	9
Section 31 Grant - Small business rate relief	-2,194	-2,194	-2,246	-52
Section 31 Grant - Settlement Funding Assessment Adj	-1,703	-1,703	-1,769	-66
Section 31 Grant - Retail Adjustment	-1,204	-1,204	-1,132	72
Education Services Grant	-7,237	-7,237	-7,490	-253
Forecast contribution to/from Cash Limit Reserve	-2,617	-3,139	1,670	4,809
Forecast contribution to/from General Reserves	-933	-933	2,100	3,033
TOTAL	-0	-0	-0	0

Note: Negative figures in the variance column represent an underspend or overachievement of income

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

SERVICE GROUPING	PROPOSAL	Amount
		£m
ACE	Pay Protection from At Risk Register	0.007
Neighbourhoods	Bridge Inspections	0.411
	Waste Disposal Inflation	0.235
RED	Whinney Hill School – Security (Surplus Property)	0.083
	Concessionary Fares	0.293
	Office Accommodation Project	0.120
Resources	Coroner's Service	0.013
Total		1.162

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

Type of Reserve	Opening Balance as at 1 April 2014	Budgetted use at 1 April 2014	Movement during 2014/15		2014/15 Forecast of Outturn
			Planned contribution to (-) or use of reserve	Contribution to (-) or use of reserve	
	£m	£m	£m	£m	£m
Service Grouping Cash Limit					
Assistant Chief Executive	-1.005	0.250	0.000	-0.050	-0.805
Children and Adults Services	-12.029	1.879	0.000	-3.201	-13.351
Neighbourhoods	-2.782	0.130	0.230	-0.486	-2.908
Regeneration and Econ Development	-3.007	0.000	0.227	-0.424	-3.204
Resources	-3.563	0.358	0.065	-0.648	-3.788
TOTAL CASH LIMIT RESERVE	-22.386	2.617	0.522	-4.809	-24.056
General Reserve	-28.132	0.933	0.000	-3.033	-30.232

- 8 The forecasted increase in Cash Limit and General Reserves is a prudent position to be in given the forecasted levels of savings the Council needs to make of £87.473m over 2015/16 to 2017/18, as the delivery of such is becoming more and more difficult to achieve.

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

Assistant Chief Executive

- 10 The forecast revenue outturn for 2014/15 is a cash limit underspend of £50k for the year after taking account of the forecast use of reserves and items outside the cash limit.
- 11 The forecast underspend is a managed position, reflecting the proactive management of activity by Heads of Service across ACE to remain within the cash limit. The main reasons for the projected underspend is the net effect of the following items;
- Partnerships and Community Engagement - £55k overspend primarily due to a managed overspend on employee related costs within the Area Action Partnerships (AAPs) that is being covered from underspends in other budgets.
 - Planning and Performance – a balanced budget position with no major variances.
 - Policy and Communications - £0.105m underspend predominantly resulting from a £57k managed underspend on employees in the Civil Contingencies Unit, together with £10k additional income generated from commercial bodies. Additional income from advertising is also forecast to generate £17k more than budgeted in year. The remainder of the underspend is from a tight control of supplies and services expenditure across the service.

- Each of the 14 area action partnerships (AAP) have an 'Area' budget to contribute to local projects of £96k in 2014/15. Combined with revenue budgets carried forward from previous years the total revenue budget across all 14 AAP's is £3.580m. Committed spend of £1.122m is currently being held against this budget and it is anticipated that the remaining £2.458m will be committed to investments during 2014/15. The forecast outturn assumes that actual expenditure of £1.344m will be incurred by the year end.
 - In 2014/15 Members' Neighbourhood revenue budget, including sums carried forward from the previous year, totalled £1.735m. Committed spend of £0.498m is being held against this budget and it is anticipated that the remaining £1.237m will be committed to projects and initiatives during 2014/15. The forecast outturn assumes that actual expenditure of £0.756m will be incurred by the end of the year.
- 12 In arriving at the forecast cash limit outturn position £71k relating to contributions to and from reserves and cash limits have been excluded from the outturn figures.
- 13 Taking the projected outturn position into account, including items proposed to be treated as outside the cash limit, the total cash limit reserve forecasted to be carried forward for ACE into 2015/16 is £0.805m.

Children and Adults Services

- 14 The 2014/15 projected outturn position for Children and Adults Services (CAS), based on the position to 30 June 2014, is a cash limit under spend of £3.201m. This represents circa 1.2% of the total budget for CAS.
- 15 The projected outturn takes into account adjustments for sums outside the cash limit including redundancy costs which are met from the corporate reserves, capital accounting entries and use of / contributions to earmarked reserves.
- 16 The forecast underspend is a managed position, reflecting the proactive management of activity by Heads of Service across CAS to remain within the cash limit. The forecast underspend is accounted for by the net effect of the following items:
- Early achievement of a number of 2015/16 MTFP savings from management and support service proposals across the Adult Care and related areas, together with the careful management and control of vacant posts and supplies and services budgets across the service has created a projected net under spend for the year of approximately £3.2m;
 - Net spend on adult care packages is forecast to be approximately £3.3m below budget, which represents circa 4% of the adult social care budget. This area of spend is closely monitored to assess the impact of demographic and procedural/operational changes. Ongoing savings have arisen from the consistent and effective application of the existing eligibility criteria, and the ongoing transformational change agenda, linked to the provision of social care, will further refine processes. CAS Service Managers are reviewing its approach to current savings in

order to consider building this increased saving associated with consistent application of eligibility criteria into the MTFP in future years. This will need to be carefully considered in light of transition cases, potential for ordinary residence claims, the potential for increased care package costs linked to older carers, general increases in demand and the implications of and funding provided as a consequence of the Care Act changes.

- Excluded from the cash limit outturn is a £5m contribution to the Demographics / Hyper Inflation Reserve to offset and delay MTFP pressures in future years;
- Children's Services is forecasting a net under spend of £1.438m. This is primarily relating to savings from a reduction in the number of children placed with Independent Fostering Agencies and represents 2% of the children's social care budget.
- The Education Service is currently forecasting a net under spend of £0.252m. In the main this under spend relates to early achievement of 2014/15 MTFP savings related to vacant posts, restructuring and additional Service Level contract income, which reflects 1% of the education budget.

17 Taking the projected outturn position into account, including the transfer to/from Reserves in year, the estimated cash limit reserve to be carried forward for Children and Adults Services is forecast to be £13.351m.

Neighbourhood Services

18 The forecast revenue outturn for 2014/15 is a cash limit underspend of £0.486m, after taking account of the forecast use of reserves, and items outside the cash limit.

19 Since the original budget was presented to Council, the Neighbourhoods revenue budget has been adjusted to take into account the transfer of Community Safety functions from CAS (£0.417m), a reduction relating to the Fleet Review savings (£0.386m), which has been transferred to corporate contingencies, and some minor transfers between Neighbourhood Services and other Service Groupings.

20 The forecast underspend is a managed position, reflecting the proactive management of activity by Heads of Service across Neighbourhoods to remain within the cash limit. The main reasons accounting for the outturn position are shown below:

- Within Direct Services there are underspends on premises costs relating to Admin Buildings (£0.173m), underspends within Street Scene (£0.145m) and an increased surplus within Building Services (£0.180m) related to trading activity.
- There are increased surpluses of approximately £0.350m within Technical Services in relation to Highways Services' trading activity, including the Design Service.

- There are underspends of £81k within Environmental Health and Consumer Protection associated with savings on employees and supplies and services. Some of these underspends relate to early achievement of 2015/16 MTFP savings requirements.
 - There is a forecast overspend of £0.437m within Strategic Waste primarily due to additional costs associated with the Materials Recycling Facility contract for processing of Dry Kerbside Recycling materials and reduced income in this area.
- 21 The forecast outturn is net of expenditure that is being treated as being outside the cash limit, and also the use of earmarked reserves. Details of these are as follows;
- Additional work of £0.411m relating to clearing a backlog of principal Inspections on Bridges is being treated as outside the cash limit.
 - Additional price inflation of £0.235m relating to Waste Disposal Contracts is being treated as outside the cash limit.
 - The cash limit underspend also takes account of the planned use of £3.919m of earmarked reserves during 2014/15. These mainly relate to one off revenue costs associated with; Culture and Sport MTFP savings, Street Cleaning, Waste Disposal and Collection, IT systems development, and the Transport Asset Management Plan.
- 22 At this stage of the year, there are two specific areas of overspend that are planned to be mitigated by the use of Neighbourhood Services' cash limit reserve. These are in respect of the delayed savings from the Culture and Sport restructure (£0.180m), and also a delayed MTFP saving relating to a reduction in the Leisure-Works contract (£50k).
- 23 Taking the projected outturn position into account, including items proposed to be treated as outside the cash limit, the forecasted cash limit reserve to be carried forward for Neighbourhood Services is £2.908m

Regeneration and Economic Development (RED)

- 24 The 2014/15 forecast outturn for Regeneration and Economic Development is a cash limit underspend of £0.424m. 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.
- 25 The forecast underspend is a managed position, reflecting the proactive management of activity by Heads of Service across RED to remain within the cash limit. The main reasons accounting for the outturn position are shown below:
- Strategy Programmes and Performance - £53k saving on employee costs due to vacancies, maternity leave and reduced hours.
 - Economic Development and Housing - £0.136m overspend primarily due to approved overspends on apprenticeship support and a contribution to the Regional Growth fund programme.

- Planning and Assets - £0.512m underspend which consists of a £0.705m underspend in the Planning service and a £0.193m overspend in the Assets Service. The underspend in the Planning service primarily results from an increase in planning fee income, from the non-filling of vacant posts and other efficiency savings on Transport and Supplies and Services. The Assets Service is experiencing income pressures mainly from Newgate Street in Bishop Auckland, the Brackenhill Centre in Peterlee and Millennium Square in Durham City where forecasted rental income is not being achieved.
- Transport - £5k overspend.

26 Taking the projected outturn position into account, including items proposed to be treated as outside the cash limit, the forecasted cash limit reserve to be carried forward for Regeneration and Economic Development is £3.204m.

Resources

27 The forecast revenue outturn for 2014/15 is a cash limit underspend of £0.648m for the year after taking account of the forecast use of reserves and items outside the cash limit.

28 Heads of Service across Resources continue to proactively manage activity to remain within the cash limit. The main reasons for the projected underspend position is the net effect of the following items:

- Corporate Finance is forecast to underspend by £0.218m. £0.170m of this relates to the early achievement of 2015/16 MTFP savings. The balance arises from a £48k over recovery of income the majority of which is from VAT services.
- Financial Services is forecast to underspend by £0.246m, consisting primarily of £0.157m in respect of the early achievement of 2015/16 MTFP savings. There are also managed underspends against supplies and services and staff travel costs (£77k). The balance comprises a forecast over recovery of SLA income.
- Human Resources is forecasting to underspend by £0.100m through the management of staff vacancies pending a service restructure. This forecast is a prudent estimate and will be refined once the restructure is fully implemented in quarter 2.
- ICT Services is forecasting a balanced budget position with no major variances at this stage.
- Internal Audit is forecast to underspend by £64k, resulting from an underspend on employees through the non-filling of vacant posts and secondments in anticipation of 2015/16 MTFP savings targets.
- Legal and Democratic Services is forecast to underspend by £20k, which arises from minor variances across a range of budgets heads.
- The Housing Benefits Payments Budget is forecasting a £0.341m overspend on Discretionary Housing Payments based on payments

and commitments as at 30 June 2014. £91k of this overspend will be met from the balance on the Discretionary Housing Payment Reserve with the remaining £0.250m, offset by a forecast underspend on the Welfare Assistance Scheme budget. Mitigating actions are being considered by the Service in order to bring this forecasted overspend on Discretionary Housing payments back in line with budget before the year end.

- 29 There is a further £0.260m underspend against Corporate Costs, comprising an overspend on expenses associated with raising loans (£48k) offset by underspends against Audit Fees (£42k) and subscriptions (£16k). This £10k underspend does not form part of Resources cash limit. The remaining £0.250m underspend is in respect of the Welfare Assistance Scheme Budget which has been used to offset the overspend on Discretionary Housing Payments as noted above.
- 30 In arriving at the forecast outturn position £0.693m relating to contributions to and from reserves and cash limits have been excluded from the outturn.
- 31 Taking the projected outturn position into account, including items proposed to be treated as outside the cash limit, the forecast cash limit reserve to be carried forward for Resources is £3.788m.

Schools

- 32 The total delegated budget for maintained schools (including early years' providers) in 2014/15 is £249.088m.
- 33 Where schools spend more than their delegated budgets, the overspend reduces their accumulated balance. At 31 March 2014, 6 schools had a deficit balance totalling £0.960m, 12 schools were holding a balance of less than 2.5% of their overall funding and 240 schools had balances of more than 2.5% of their overall funding.
- 34 School reserves brought forward from 2013/14 were £24.684m. This balance is net of loans to schools and other balances not related to maintained schools. Maintained schools balances amounted to £25.280m. Based on budget plans approved by governing bodies, schools plan to use £5.446m of these balances in 2014/15. The forecast balances at 31 March 2015 are £19.834m and a summary of this forecast position is provided below:

Schools forecasting a surplus above 2.5% of funding						
	Nursery	PRU	Primary	Secondary	Special	Total
Number	12	-	204	10	8	234
Forecast	(£0.792m)	-	(£16.931m)	(£2.176m)	(£1.290m)	(£21.189m)
Schools forecasting a surplus of less than 2.5% of funding						
	Nursery	PRU	Primary	Secondary	Special	Total
Number	-	-	11	5	-	16
Forecast	-	-	(£0.184m)	(£0.296m)	-	(£0.480m)

Schools forecasting a deficit						
	Nursery	PRU	Primary	Secondary	Special	Total
Number	-	1	1	3	1	6
Forecast	-	£0.182m	£0.005m	£1.585m	£0.062m	£1.834m
Summary – All Maintained Schools						
	Nursery	PRU	Primary	Secondary	Special	Total
Number	12	1	216	18	9	256
Forecast	(£0.792m)	£0.182m	(£17,110m)	(£0.887m)	(£1.227m)	(£19.834m)

- 35 There is a cause for concern due to three of the secondary schools forecasting deficit balances at the end of the year. The Council is working with two of these schools to establish revised budget plans to clear their deficits in the medium term. The third school is in this position because of a temporary reduction in pupil numbers and is expected to be in deficit for the next two financial years.
- 36 Schools will be asked to update their budget projections on a termly basis, building on the revised financial controls put in place in 2013/14. The forecast position is based on the budget plans and does not take into account forecast under and over spending at this point, this will be provided in the quarter 2 budgetary control report.
- 37 Concern has been expressed by the Schools Forum about the amount held in school balances. It is accepted that the amount is large, but it should be seen in the context of there being 256 maintained schools in the County and the need for each school to have an adequate balance to provide for unforeseen expenditure. It is also worth noting that spending in schools in recent years has been impacted by the reluctance to commit to spending due to the freeze on inflation within school budgets and until the impact of the School Funding Reforms, particularly the National Funding Formula from April 2015, becomes clearer.
- 38 The Council recommends to schools that they should carry a minimum balance of 2.5% of funding plus Pupil Premium income, but does not recommend a maximum balance. Previous funding regulations provided for budgets to be capped if balances exceeded 8% of budget shares, except for secondary schools, where the threshold was 5%. These might be considered appropriate as maximum for schools that are not setting aside funding for one-off costs, such as a major capital project or a temporary dip in pupil numbers.
- 39 These percentages are appropriate for many schools, but for some smaller schools, these percentages may result in a very small balance and for these schools a minimum balance of £50k would be more appropriate for nursery and primary schools and £100k for the Pupil Referral Unit (PRU), secondary and special schools.

- 40 Using these thresholds would suggest the following as minimum and maximum balances (excluding schools that are saving for one-off costs):

	Nursery	PRU	Primary	Secondary	Special	Total
	£m	£m	£m	£m	£m	£m
Minimum balances	(0.600)	(0.100)	(10.803)	(2.073)	(0.900)	(14.476)
Maximum balances	(0.600)	(0.190)	(14.632)	(3.781)	(1.510)	(20.713)
Balance brought forward	(0.776)	0.182	(17.938)	(4.517)	(2.232)	(25.281)
Forecast carry forward	(0.792)	0.182	(17.110)	(0.887)	(1.227)	(19.834)

- 41 The balance brought forward from 2013/14 is in excess of the maximum indicated in the above table. However, these balances included a one off £3.5m of equal pay provision that was only returned at the end of the year, and information provided by schools to date indicates that at least a further £1.2m of the retained balances relates to funding earmarked for one-off costs. When the total is adjusted for these amounts the total balances brought forward as a general reserve reduces to £20.5m, which is within the maximum shown in the table. The forecast balance to be carried forward to 2015/16 is also within the maximum
- 42 There are, however, significant variations between phases, with primary schools carrying forward and forecasting balances that are higher than the maximum threshold and secondary schools being lower than the threshold. There are also significant variations for primary schools, with 79 having a balance of less than £50k compared to 113 with balances in excess of the proposed maximum. It is likely that in many cases schools will be holding balances for other one-off costs that we may not currently have details on.
- 43 The level of school balances will continue to closely monitored and managed, particularly those schools with a deficit balance and robust arrangements have been put in to place to monitor these in parallel with budget plans given the additional risks from schools that could potentially become a sponsored academy.

Central Budgets

- Interest Payable and Similar Charges - Capital Financing

- 44 During the quarter a review of capital financing costs has led to a forecast underspend of £2.500m. This saving is being achieved due to lower than forecast interest rates on loans and borrowing not needing to take place yet due to higher levels of cash balances than forecast.

- Interest and Investment Income

- 45 The forecast of outturn is an overachievement of income of £0.234m 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.

- Education Services Grant

- 46 The forecast of outturn reflects net additional grant income of £0.253m which is due to the actual grant notification being higher than the amount budgeted for in 2014/15. This grant is subject to a 23% reduction in 2015/16, amounting to circa £1.5m, which is factored into the MTFP forecasts reported to Cabinet in July 2014.

Earmarked Reserves Forecast

- 47 Appendix 4 details the forecast use of Earmarked Reserves in 2014/15. 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 2014	-112.512	-31.051	-22.386	-165.949
Less/Plus Forecasted usage/increase of Earmarked Reserves	10.532	5,446	-1.670	14.308
Forecasted Earmarked Reserve Balance as at 31 March 2015	-101.980	-25.605	-24.056	-151.641

Housing Revenue Account (HRA)

48 In summary, the HRA shows a forecasted balanced outturn position on the revenue account after using a projected surplus of £2.028m towards the capital programme. The following table summarises the position with the detail shown in Appendix 5:

Housing Revenue Account	2014/15 Budget	2014/15 Projected Outturn	Variance
	£000	£000	£000
Income			
Dwelling Rents	-64,558	-64,640	-82
Other Income	-1,371	-1,371	0
Interest and Investment Income	-105	-105	0
Total Income	-66,034	-66,116	-82
Expenditure			
ALMO Fees	16,799	16,799	0
Repairs, Supervision and Management Costs	12,019	12,019	0
Depreciation	7,872	7,872	0
Interest Payable	12,627	10,681	-1,946
Revenue Contribution to Capital Programme	16,717	18,745	2,028
Total Expenditure	66,034	66,116	82
2014/15 Surplus transferred to balances	0	0	0

Note: Negative figures in the variance column represent an underspend or an overachievement of income

49 The main variances are explained below:

- Dwelling Rents £82k increased income – this results from a lower than anticipated number of void and unlet properties;
- Interest Payments £1.946m underspend – this results from a lower interest rate and lower outstanding loan debt than originally anticipated, due in part to re-profiling of the capital programme in year;
- Revenue Support to fund Capital Programme shows a forecasted £2.028m additional charge to the HRA – this is 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

- 50 The General Fund (GF) capital budget for 2014/15 was set at £166.292m by Council on 26 February 2014. Re-profiling from the 2013/14 capital programme outturn into 2014/15, amounting to £22.341m, was reported to Cabinet on 16 July 2014.
- 51 The 2014/15 Housing Revenue Account (HRA) Capital budget of £50.489m was also approved by Council on 26 February 2014.
- 52 The Council's Member Officer Working Group (MOWG) that closely monitors the capital programme has since recommended approval to Cabinet of further revisions to the capital programme, taking into account additional resources received by the authority and further requests for re-profiling as Service Management Teams continue to monitor and review their capital schemes.

Current Position

- 53 The following table summarises the latest capital budget recommended for approval by MOWG on 14 July 2014. The table also shows the forecast outturn for each service and the actual spend as at 30 June 2014.

Service Grouping	Original Budget 2014/15 £m	Re-profiling from 2013/14 to 2014/15 £m	Amendments recommended by MOWG £m	Revised Budget 2014/15 £m	Projected Outturn 2014/15 £m	Actual Spend to 30 June 2014 £m
Assistant Chief Executives	3.471	0.932	0.142	4.545	4.545	0.249
Children and Adults Services	56.839	11.697	5.265	73.801	73.801	8.652
Neighbourhoods	38.840	5.352	4.376	48.568	48.568	3.558
Regeneration and Economic Development	56.269	2.835	-14.225	44.879	44.879	5.613
Resources	10.873	1.525	-3.697	8.701	8.701	0.676
Total	166.292	22.341	-8.139	180.494	180.494	18.748

- 54 Since the 2014/15 budget was approved at Council on 26 February 2014 MOWG have approved a number of variations to the capital programme. Of particular significance is the inclusion in the programme of a £12.9m expansion at the North East Technology Park (NetPark) in Sedgefield.
- 55 NETPark opened in 2004 and currently provides 120,000 sq. ft. of high quality business space. The buildings are:
- NETPark Incubator Phase 1 and 2.
 - NETPark Research Institute, housing two research groups from Durham University.
 - National Printable Electronics Centre (managed by the Centre for Process Innovation, or CPI, and now part of the High Value Manufacturing Catapult) which was opened in 2008.

- Two Discovery Buildings, built as grow on space in 2010 to support businesses graduating from the Incubator and is over 70% full within 2 years.
 - Kromek PLC global headquarters.
- 56 NETPark provides a dynamic and supportive environment to accelerate the growth of ambitious high tech companies into global markets and encourages collaborative multidisciplinary links, driving innovation, enterprise and economic prosperity. NETPark is therefore an effective vehicle for delivering the economic development aims of the Council and the wider County Durham Economic Partnerships. NETPark also delivers to the Thriving Durham City objective through its links with Durham University.
- 57 There is an urgent need to further develop space at NETPark. Indeed without plans to support business growth, the existing facilities may be vulnerable as the demands of the companies force them to meet the needs of their growing businesses by relocating from NETPark. A number of development options have been considered that will address the demand for additional space at NETPark, including a purpose built building for CPI and PolyPhotonix, together with Explorer Village that will meet demand from Ibox Innovations and other growing businesses at NETPark and across the region,
- 58 The additional investment of £12.9m for new buildings will enable the development of 67,000 sq.ft of additional business space at NETPark. This will support the creation of 250 direct and 625 indirect new jobs over the next three years and make a substantial impact on the Council's number one priority to create an 'Altogether Wealthier' County Durham.
- 59 The development of the additional units will generate rental revenue and also business rates. Under the Business Rate Retention scheme the Council can retain 49% of the additional business rates. Overall the additional income generated can finance the majority of the borrowing required to finance the £12.9m development. The council is required to identify additional capital resources of £1.2m to balance the financial model which can be found within the current capital programme.
- 60 In addition to the NetPark development the following variations have been approved by MOWG and are of note:
- **CAS** - £3.467m to cover the cost of demolition and site clearance of school premises at Wolsingham, Tudhoe Grange, Consett, Harelaw and Stanley.
 - **CAS** - £0.168m additional school contributions to assist with the completion of the works associated with the investment required to deliver the free school meals programme.
 - **CAS** - £4.209m toward the school capital programme, being met from anticipated ring-fenced capital receipts of £3.297m and Basic Need Grant of £0.512m and Sedgefield School contribution of £0.400m.

- **RED** - £0.269m to compensate the Church Commissioners should they decide to exercise their mines and mineral rights over the land the Council wishes to sell or develop.
- **Neighbourhoods Services** - £2.198mm additional ring-fenced grant funding, 'Potholes in the Highway' has been secured from the Department for Transport,
- **Neighbourhood Services** - £1.507m additional grant from the Environment Agency towards work at Seaham pier.

61 Budget managers continue to challenge and review the programming and phasing of works, which has resulted in the re-profiling of the following budgets in line with anticipated activity:

- **RED** - £14.650m of the 2014/15 capital budget allocated to Economic Development and Housing (£2.170m), Planning and Assets (£7.157m), Strategy/Programmes and Performance (£0.329m) and Transport and Contracted Services (£4.994m) has been re-profiled into future years.
- **Resources** - £2.14m of the 2014/15 capital budget for the delivery of the Digital Durham Project has been re-profiled to 2015/16 together with £0.115m of the 2015/16 budget into 2016/17.
- **Neighbourhoods Services** - £1.968m of the 2014/15 capital budget allocated to the improvement projects at the waste transfer stations has been re-profiled into 2015/16.
- **CAS** - As referred to above, the increase of £4.209m in the school related budget from 2016/17 Basic Needs capital allocation (£0.512m), the investment of earmarked capital receipts (£3.297m) and the additional schools contribution (£0.400m) has been profiled across the financial years 2014/15 to 2016/17 as follows:

Year	Amount
	£m
2014/15	0.386
2015/16	1.710
2016/17	2.113

Housing Revenue Account Capital Programme 2014/15

62 The following tables summarise the recommended financing of the revised capital programme:

Service	Original Budget 2014/15 £m	Re-profiling from 2013/14 to 2014/15 £m	Amendments recommended by MOWG £m	Revised Budget 2014/15 £m	Projected Outturn 2014/15 £m	Actual Spend to 30 June 2014 £m
HRA	50.489	-	-0.489	50.000	50.000	5.889
Total	50.489	0	-0.489	50.000	50.000	5.889

63 It is anticipated that the projected outturn at 31 March 2015 will be in line with the revised budget.

Capital Financing

Financing – General Fund Capital Programme 2014/15

Financed By:	Original Budget 2014/15 £m	Re-profiling from 2013/14 to 2014/15 £m	Amendments recommended by MOWG £m	Revised Budget 2014/15 £m
Grants and Contributions	69.055	5.741	-12.117	62.679
Revenue and Reserves	4.993	2.606	-2.742	4.857
Capital Receipts	20.474	3.150	-13.395	10.229
Borrowing	71.770	10.844	20.115	102.729
Total	166.292	22.341	-8.139	180.494

Financing – Housing Revenue Account Capital Programme 2014/15

Financed By:	Original Budget 2014/15 £m	Re-profiling from 2013/14 to 2014/15 £m	Amendments recommended by MOWG £m	Revised Budget 2014/15 £m
Grants and Contributions	19.286	-	-	19.286
Revenue and Reserves	24.589	-	-	24.589
Capital Receipts	1.547	-	-	1.547
Borrowing	5.067	-	-0.489	4.578
Total	50.489	0.000	-0.489	50.000

Collection Funds

64 The Collection Funds consists of two main income streams – Council Tax and Business Rates.

Council Tax

- 65 Council Tax is charged for all residential dwellings in bandings agreed by the Valuation Office, which is part of Her Majesty's Revenues and Customs (HMRC). Exemptions, reliefs and discounts are awarded dependent upon the state of the property, its use and occupiers' personal circumstances.
- 66 Council Tax collection for Q1 2014/15 is ahead of target. This has been achieved through more automation of the 2014/15 recovery schedule against non payers. A detailed review is also being undertaken during 2014/15 analysing the collection rates relating to various classifications of premises, such as empty property, to ensure optimal targeting of resources to further improve the collection rate.

The in-year collection rates for the last three years including the current year are shown below:

Billing year	Position at 30 June Each Year %
2014/15	28.63
2013/14	28.18
2012/13	27.70

- 67 The current overall collection rate for 2013/14 council tax liabilities is now 96.26% and for 2012/13 council tax liabilities is now 97.77%. The Council continues to recover Council Tax from earlier years and currently, the collection rate for all years excluding the current year is 98.96% which is line with our medium term financial plan forecasts.
- 68 The income shown in the Council Tax Collection Fund is the amount collectable from Council Tax payers in the long run, rather than the actual cash collected in the year the charges are raised. Likely bad debts are accounted for by maintaining a bad debt provision. The amount estimated to be collectable is estimated each year by reference to the actual council taxbase for all domestic properties in the county (schedule of all properties, discounts and reliefs) with an allowance for non-collection, currently 1.5%.
- 69 Due to changes in the number of properties (including new build and demolitions), eligibility of discounts and reliefs during the year, the actual amount collectable increases or decreases from the estimate on a dynamic day to day basis. In addition, adjustments for previous billing years take place during each accounting year. All of these adjustments mean that the actual amounts collected will always differ from the estimate. Such differences at the end of each accounting year, after taking into account the calculated change required in the 'bad debt' provision, determines whether a surplus or deficit has arisen, which is then shared proportionately between the Council and its major preceptors being Durham Police and Crime Commissioner and County Durham and Darlington Fire and Rescue Authority.

- 70 At 30 June 2014, the Estimated Outturn for the Council Tax Collection Fund was a surplus of £19k arrived at as shown in the following table. Durham County Council's share of the surplus would be £16k.

	£'000
Net Bills issued during Accounting Year 2014/15	272,104
LCTRS and previous year CTB adjustments	-53,102
Calculated change in provision for bad debts required	-7,205
Net income receivable (a)	211,797
Precepts and Demands	
Durham County Council (including Parish/Town Councils)	179,295
Durham Police and Crime Commissioner	20,592
County Durham and Darlington Fire and Rescue Authority	11,893
Total Precepts and Demands (b)	211,780
Net Surplus / (-) Deficit for year (a) – (b)	17
Surplus Brought Forward from 2013/14	2
Estimated year end surplus	19

- 71 At 15 January in each year, the estimated surplus/deficit on the Collection Fund Council Tax Account is notified to the two major preceptors for inclusion in the budget setting process for the following year as an additional income or expenditure item. At 15 January 2014 an estimated break-even position on the Council Tax Collection Fund for 2013/14 was declared. The actual surplus of £2k was in line with that estimate and this was carried forward to 15 January 2015 and will be taken into account in estimating the surplus/deficit for 2014/15, which will need to be taken into account for 2015/16 budget setting.

Business Rates

- 72 Business rates have been levied on all non-domestic properties since 1990. Prior to 2013/14, the Council acted simply as a tax collector for Central Government, with all amounts receivable, debtor and creditor balances and provisions owing to or from Central Government. The Council remained largely unaffected by changes in business rate yield or liabilities in each year.
- 73 2013/14 was the first year of the new Business Rates Retention Scheme whereby the Council now has a real vested budget interest and stake in the level of business rate yield as income generated from Business Rates is now shared between Central Government (50%), Durham County Council (49%) and County Durham and Darlington Fire and Rescue Authority (1%). For the first time, therefore, it is not only the accuracy and timeliness of bills levied and collected that is monitored and audited, but the level of income

anticipated for the year is important and new monitoring procedures have been devised for this purpose.

- 74 Bills raised, exemptions and reliefs awarded are examined together with local knowledge of anticipated changes in reliefs such as Mandatory Charitable relief and Discretionary Rate Relief on a monthly basis to enable a comparison with the January 2014 estimate that was used for budget setting purposes. At 30 June 2014, the forecast outturn for the Collection Fund Business Rates is a surplus of £3.205m arrived at as shown in the following table.

	£'000
Net rate yield for 2014/15 including previous year adjustments	118,110
Estimate of changes due to appeals lodged and future appeals	-3,779
Estimated losses in Collection – Provision for Bad Debts and Write-offs	-3,543
Net income receivable (a)	110,788
Agreed allocated shares	
Central Government (50%)	55,051
Durham County Council (49%)	53,950
County Durham and Darlington Fire and Rescue Authority (1%)	1,101
Recoupment of Previous year's deficit	-3,247
Cost of Collection Allowance (paid to Durham County Council)	600
Total fixed payments (b)	107,455
Net surplus/deficit (-) for year (a) – (b)	3,333
Deficit brought forward from 2013/14	-3,282
Estimated year end surplus	51

- 75 The in-year surplus forecast will offset the deficit brought forward and is expected to produce a balanced position at 31 March 2015. Any surpluses or deficits at 31 March are shared proportionately between Durham County Council, Central Government and County Durham and Darlington Fire and Rescue, Durham County Council's share being 49%.
- 76 The Business Rates Retention Scheme has not changed the actual business rates charged to ratepayers and therefore is not expected to have a detrimental effect on collection rates. However, at 30 June 2014, the in-year collection rate for 2014/15 charges was 33.36% which was 2.54 percentage points below the same point in 2013/14. Investigations of the reasons for the lower collection rate have revealed that a large proportion of the debit originally due over 10 months has been spread over 12 months following requests made by ratepayers. In addition, the new retail relief and new build relief application process has caused Ratepayers to delay payments pending an award decision. Discussions with colleagues in neighbouring authorities

indicates that this is something that is being experienced by other authorities this year.

- 77 The in-year collection rates for the last three years, including the current year, are shown below:

Billing year	30 June %
2014/15	33.36
2013/14	35.90
2012/13	34.50

Section 31 Grant - Small Business Rate Relief

- 78 Small Business Ratepayers with properties with rateable values under £12,000 benefit from relief on their rates payable. The Government has awarded local authorities a special 'Section 31' grant to cover their share of the shortfall in business rates that these small business ratepayers would have paid had the relief scheme not been in place.
- 79 Small Business Ratepayers with properties with rateable values up to £6,000 are currently being granted full relief instead of 50% relief under the previous scheme, and properties with rateable values between £6,000 and £12,000 have a tapered relief applied to them ranging from 100% down to 0%, but in all cases double the standard relief.
- 80 The Section 31 grant has been calculated as 50% of the extended small business rate relief awarded. Under rules governing the share of Business Rates income, the Local Share of the grant is therefore calculated as 25% of the total relief granted, with 98% of that figure accruing to Durham County Council and 2% to County Durham and Darlington Fire and Rescue Authority.
- 81 The estimated gross Small Business Relief awarded against 2014/15 Business Rates bills is £9.127m, of this the Council would receive £2.236m.
- 82 The Government has only agreed to pay Section 31 grant for the additional Small Business Rate Relief in respect of 2014/15 business rates bills. However, there are adjustments being made in respect of previous years' bills that also included the doubling of Small Business Rate Relief. The Council has raised this matter with the Department for Communities and Local Government (CLG) and we are still awaiting a decision.

Provision for Appeals

- 83 Ratepayers have the right to appeal against the rateable value of their properties which are assessed by the Valuation Office Agency, part of HMRC. If successful, the appeal may result in a reduction being applied to all bills issued from 1 April 2010 for that property. Appeals can continue to be lodged against bills dating back to 1 April 2010 at any time up to 31 March 2017. The level of appeals being lodged and the time taken to settle them can have a detrimental and unpredictable effect on the income for any one year. In order to manage this, we have made a provision in our Business Rates Collection Fund for the repayment of rates already billed due to potential successful appeal outcomes. At 30 June 2014, we estimated that the provision for Appeals would need to be increased by £3.779m for 2014/15. This will

continue to be monitored as the appeals are settled during the rest of 2014/15.

Recommendations and Reasons

84 It is recommended that Cabinet:

- Note the projected change in the Council's overall financial position for 2014/15.
- Agree the proposed 'sums outside the cash limit' for approval.
- Agree the revenue and capital budget adjustments.
- Note the forecast use of Earmarked Reserves.
- Note the forecast end of year position for the Cash Limit and General Reserves position.
- Agree that Schools be advised of the need to have minimum and maximum balances at 31 March as detailed in paragraphs 38 to 40.
- Note the position for the Housing Revenue Account, Capital Programme and the Collection Funds in respect of Council Tax and Business Rates.

Background Papers

- (a) County Council – 26 February 2014 – General Fund Medium Term Financial Plan, 2014/15 to 2016/17 and Revenue and Capital Budget 2014/15
- (b) County Council – 26 February 2014 – Housing Revenue Account Medium Term Financial Plan 2014/15 to 2016/17 and 2014/15 Budget
- (c) Cabinet – 16 July 2014 - 2013/14 Final Outturn for General Fund, Housing Revenue Account and Collection Fund

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Appendix 1: Implications

Finance -

The report details the 2014/15 forecast of outturn position for Revenue and Capital 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 2014/15

	Original Budget 2014/15	Revised Budget	Proposed Budget Revisions	Cash Limit Reserve	Contribution to / Use of Earmarked Reserves	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assistant Chief Executive	10,200	10,200	-33	0	64	10,231	10,181	-50
Children and Adults Services	275,231	275,231	-1,092	0	2,434	276,573	273,372	-3,201
Neighbourhood Services	109,765	109,765	601	230	3,919	114,515	114,029	-486
Regeneration and Economic Development Resources	42,653	42,653	858	227	806	44,544	44,120	-424
	14,447	14,447	-307	65	738	14,943	14,545	-398
Cash Limit Position	452,296	452,296	27	522	7,961	460,806	456,247	-4,559
Contingencies	7,706	7,706	126		0	7,832	7,832	0
Corporate Costs	3,924	3,924	0	0	-123	3,801	3,541	-260
NET COST OF SERVICES	463,926	463,926	153	522	7,838	472,439	467,620	-4,819
Capital charges	-50,474	-50,474				-50,474	-50,474	0
Interest and Investment income	-1,441	-1,441				-1,441	-1,675	-234
Interest payable and similar charges	38,444	38,444	-153			38,291	35,791	-2,500
Net Expenditure	450,455	450,455	0	522	7,838	458,815	451,262	-7,553
Funded By:								
Council tax	-168,844	-168,844				-168,844	-168,844	0
Use of earmarked reserves	-8,140	-8,140			-7,838	-15,978	-15,978	0
Start up Funding Assessment	-250,409	-250,409				-250,409	-250,409	0
New Homes Bonus	-6,784	-6,784				-6,784	-6,783	1
New Homes Bonus - Re-imbursement	-390	-390				-390	-381	9
Section 31 Grant - Small business rate relief	-2,194	-2,194				-2,194	-2,246	-52
Section 31 Grant - Settlement Funding Assessment Adj	-1,703	-1,703				-1,703	-1,769	-66
Section 31 Grant - Retail Adjustment	-1,204	-1,204				-1,204	-1,132	72
Education Services Grant	-7,237	-7,237				-7,237	-7,490	-253
Forecast contribution to/from Cash Limit Reserve	-2,617	-2,617		-522		-3,139	1,670	4,809
Forecast contribution to/from General Reserves	-933	-933				-933	2,100	3,033
TOTAL	-0	-0	0	0	0	-0	-0	0

Appendix 3: Revenue Summary by Expenditure / Income for the period ended 31 March 2015

	Original Budget 2013/14	Revised Budget	Proposed Budget Revisions	Agreed Budget	Service Groupings Forecast of Outturn	Corporate Costs	Sums Outside the Cash Limit	Cash Limit Reserve	Contribution to / Use of Earmarked Reserves	Revised Service Outturn	Forecasted Variance (including Corporate Costs)	Forecasted Variance - Corporate Costs
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	483,046	483,190	-680	482,510	491,646	0	-20	-272	-8,651	482,703	193	0
Premises	49,510	54,719	-284	54,435	54,757	0	0	0	-404	54,353	-82	0
Transport	46,657	46,409	-263	46,146	46,391	0	0	0	-77	46,314	168	0
Supplies & Services	114,270	116,254	1,077	117,331	120,060	1,822	-203	0	-2,072	119,607	2,276	5
Agency & Contracted	260,165	263,945	-60	263,885	262,528	3,787	-939	-50	-2,114	263,212	-673	-264
Transfer Payments	206,771	206,551	75	206,626	205,453	0	0	0	-92	205,361	-1,265	0
Central Costs	94,797	84,649	-351	84,298	86,362	0	0	0	4,906	91,268	6,970	0
Other	12,637	12,544	572	13,116	13,183	0	0	-200	200	13,183	67	0
Capital Charges	50,474	50,474	0	50,474	50,474	0	0	0	0	50,474	0	0
GROSS EXPENDITURE	1,318,327	1,318,736	86	1,318,822	1,330,855	5,609	-1,162	-522	-8,304	1,326,476	7,654	-259
Income												
- Specific Grants	539,986	541,075	-249	540,826	541,941	2,068	0	0	-702	543,307	-2,481	-1
- Other Grants & conts	25,830	27,262	1,698	28,960	29,558	0	0	0	93	29,651	-691	0
- Sales	5,367	5,356	-86	5,270	4,994	0	0	0	0	4,994	276	0
- Fees & charges	104,308	103,654	103	103,757	101,737	0	0	0	143	101,880	1,877	0
- Rents	5,470	5,508	-21	5,487	5,399	0	0	0	0	5,399	88	0
- Recharges	174,150	172,120	-216	171,904	183,287	0	0	0	0	183,287	-11,383	0
- Other	6,996	7,541	-8	7,533	7,692	0	0	0	0	7,692	-159	0
Total Income	862,107	862,516	1,221	863,737	874,608	2,068	0	0	-466	876,210	-12,473	-1
NET EXPENDITURE	456,220	456,220	-1,135	455,085	456,247	3,541	-1,162	-522	-7,838	450,266	-4,819	-260

Appendix 4: Earmarked Reserves Position as at 30 June 2014

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	2013/14 CLOSING BALANCE	USE OF RESERVES	CONTRIBUTION TO RESERVES	TRANSFERS BETWEEN RESERVES	TOTAL MOVEMENT ON RESERVES	2014/15 CLOSING BALANCE AS AT 30 JUNE 2014
		£,000	£,000	£,000	£,000	£,000	£,000
ACE AAP/Members Reserve	ACE	-3,276	0	0	0	0	-3,276
ACE Grant Reserve	ACE	-230	33	0	0	33	-197
ACE Operational Reserve	ACE	-132	0	0	0	0	-132
Social Care Reserve	CAS	-8,514	1,241	0	0	1,241	-7,273
Community Safety Reserve	CAS	-6	0	0	0	0	-6
Aycliffe Young People's Centre Reserve	CAS	-1,387	162	0	0	162	-1,225
Continuing Professional Development Reserve	CAS	-993	0	0	0	0	-993
Education Reserve	CAS	-987	38	0	0	38	-949
Tackling Troubled Families	CAS	-1,557	659	-117	0	542	-1,015
Special Projects Reserve	CAS	-60	0	0	0	0	-60
Public Health Reserve	CAS	-4,992	109	0	0	109	-4,883
Neighbourhoods AAP Reserve	NS	-38	38	0	0	38	0
Customer Services Reserve	NS	-387	387	0	0	387	0
Direct Services Reserve	NS	-3,675	1,011	0	0	1,011	-2,664
Env. Health and Consumer Protection Reserve	NS	-516	306	0	0	306	-210
Culture and Sport Reserve	NS	-1,962	750	0	0	750	-1,212
Strategic Waste Reserve	NS	-425	375	0	0	375	-50
Technical Services Reserve	NS	-1,619	254	0	0	254	-1,365
Transport Asset Management Programme Reserve	NS	-318	318	0	0	318	0
Business Growth Fund Reserve	RED	0	0	0	-913	-913	-913
Economic Development Reserve	RED	-1,401	349	0	0	349	-1,052
Planning Reserve	RED	-1,173	0	0	0	0	-1,173
North Pennines AONB Partnership Reserve	RED	-637	0	0	0	0	-637
Employability and Training Reserve	RED	-644	107	0	0	107	-537
RED Regeneration Reserve	RED	-1,628	0	0	713	713	-915
Housing Regeneration Reserve	RED	-61	0	0	0	0	-61
Housing Solutions Reserve	RED	-1,079	165	0	0	165	-914
Restructure Reserve	RED	-729	0	0	0	0	-729
LSVT Reserve	RED	-100	0	0	0	0	-100
Transport Reserve	RED	-329	0	0	0	0	-329
Funding and Programmes Management Reserve	RED	-131	0	0	0	0	-131
Resources Corporate Reserve	Resources	-2,219	104	0	0	104	-2,115
Resources DWP Grant Reserve	Resources	-928	90	-166	0	-76	-1,004
Resources System Development Reserve	Resources	-1,291	360	0	0	360	-931
Resources Housing Benefit Subsidy Reserve	Resources	-2,198	0	-116	0	-116	-2,314
Local Council Tax Support Scheme Reserve	Resources	-1,031	0	0	0	0	-1,031
Resources Land Search Fees Reserve	Resources	-1,000	0	0	0	0	-1,000
Resources Legal Expenses	Resources	-200	0	0	0	0	-200
Resources Elections Reserve	Resources	-1,036	136	0	0	136	-900
Resources ICT Reserves	Resources	-730	50	0	0	50	-680
Cabinet Reserve	Corporate Fin	-220	0	0	0	0	-220
Corporate Reserve - Demographic Pressures	Corporate Fin	-10,850	3,150	-5,000	0	-1,850	-12,700
Equal Pay Reserve	Corporate Fin	-17,405	3,685	-207	0	3,478	-13,927
Insurance Reserve	Corporate Fin	-13,057	0	0	0	0	-13,057
Performance Reward Grant Reserve	Corporate Fin	-1,308	63	0	0	63	-1,245
MTFP Redundancy and Early Retirement Reserve	Corporate Fin	-16,256	2,398	0	0	2,398	-13,858
Office Accommodation Reserve	Corporate Fin	-1,000	0	0	0	0	-1,000
Capital Expenditure Reserve	Corporate Fin	-2,797	0	0	0	0	-2,797
Total Non-Schools Reserve		-112,512	16,338	-5,606	-200	10,532	-101,980
Cash Limit Reserves							
Assistant Chief Executive		-1,005	250	-50	0	200	-805
Children and Adults Services		-12,029	1,879	-3,201	0	-1,322	-13,351
Neighbourhood Services		-2,782	360	-486	0	-126	-2,908
Regeneration and Economic Development		-3,007	27	-424	200	-197	-3,204
Resources		-3,563	423	-648	0	-225	-3,788
Total Cash Limit Reserves		-22,386	2,939	-4,809	200	-1,670	-24,056
Schools' Balances							
Schools' Revenue Balance	CAS	-24,684	5,446	0	0	5,446	-19,238
DSG Reserve	CAS	-6,367	0	0	0	0	-6,367
Total Schools and DSG Reserve		-31,051	5,446	0	0	5,446	-25,605
Total Earmarked Reserves		-165,949	24,723	-10,415	0	14,308	-151,641

Appendix 5: Forecasted Housing Revenue Account to 31 March 2015

	Annual Budget	Projected Outturn	Forecasted Variance
	£000	£000	£000
Income			
Dwelling Rents	-64,558	-64,640	-82
Non Dwelling Rents	-1,024	-1,024	0
Charges for Services and Facilities	-347	-347	0
Total Income	-65,929	-66,011	-82
Expenditure			
ALMO Management Fee and Outsourced Contract	16,799	16,799	0
Repairs and Maintenance	4,462	4,462	0
Supervision and Management - General	4,061	4,061	0
Supervision and Management - Special	436	436	0
Rents, Rates, Taxes and other Charges	410	410	0
Depreciation and Impairment of fixed assets	7,872	7,872	0
Increase/Decrease in bad debt provision	988	988	0
Debt Management Costs	175	175	0
Total Expenditure	35,203	35,203	0
Net cost of HRA services per Authority I&E Account	-30,726	-30,808	-82
HRA services share of Corporate and Democratic Core	1,085	1,085	0
Net Cost of services but not allocated to specific services	402	402	0
Net cost of HRA Services	-29,239	-29,321	-82
Interest Payable and Similar Charges	12,627	10,681	-1,946
Direct Revenue Financing [Balancing Item on HRA]	16,717	18,745	2,028
Interest and Investment Income	-105	-105	0
[Surplus] / Deficit for the year on HRA services	0	0	0