

Cabinet

18 March 2015



Forecast of Revenue and Capital Outturn 2014/15 for General Fund and Housing Revenue Account – Period to 31 December 2014

**Report of Corporate Management Team
Don McLure, Corporate Director Resources
Councillor Alan Napier, Portfolio Holder for Finance**

Purpose of the Report

- 1 To provide Cabinet with an updated forecast of 2014/15 revenue and capital outturn, based on the period to 31 December 2014 for the Council's General Fund and Housing Revenue Account. The report also includes the updated forecasts for the Council Tax Collection Fund and Business Rates Collection Fund.

Background

- 2 This report updates the position presented to Cabinet on 19 November 2014 that showed the forecasted revenue and capital outturn based on expenditure and income up to 30 September 2014 and incorporates the recommended changes to cash limits within Service Groupings agreed at that time, providing updates to these forecasts and revised 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 of outturn.

Revenue - Updated Forecast Based on Position to 31 December 2014

- 4 The table overleaf compares the updated 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	10,874	10,744	-130
Children and Adults Services	275,231	259,176	259,176	0
Neighbourhood Services	109,765	110,602	109,497	-1,105
Regeneration and Economic Development	42,653	44,077	42,757	-1,320
Resources	14,447	12,515	11,076	-1,439
Cash Limit Position	452,296	437,244	433,250	-3,994
Contingencies	7,706	6,272	6,272	0
Corporate Costs	3,924	3,182	3,134	-48
NET COST OF SERVICES	463,926	446,698	442,656	-4,042
Capital charges	-50,474	-49,500	-49,500	0
Interest and Investment income	-1,441	-1,441	-1,826	-385
Interest payable and similar charges	38,444	38,291	33,791	-4,500
Net Expenditure	450,455	434,048	425,121	-8,927
Funded By:				
Council tax	-168,844	-168,844	-168,844	0
Council tax freeze grant	0	0	0	0
Use of earmarked reserves	-8,140	16,105	16,105	0
Estimated net surplus on Collection Fund	0	0	0	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-imbursement	-390	-390	-381	9
Section 31 Grant - Small business rate relief	-2,194	-2,194	-2,343	-149
Section 31 Grant - Settlement Funding Assessment Adj	-1,703	-1,703	-1,084	619
Section 31 Grant - Retail Adjustment	-1,204	-1,204	-1,215	-11
Education Services Grant	-7,237	-7,237	-7,490	-253
Forecast contribution to/from Cash Limit Reserve	-2,617	-7,455	-3,461	3,994
Forecast contribution to/from General Reserves	-933	-3,933	784	4,717
TOTAL	-0	-0	-0	0

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

- 6 The updated position in terms of sums Service Groupings have proposed as being outside the Cash Limit (£1.383m at quarter 2) are detailed below:

SERVICE GROUPING	PROPOSAL	Amount
		£m
ACE	Pay Protection – Employees on the At Risk Register	0.007
CAS	Former School Building - Empty Property Rates	0.066
Neighbourhoods	Bridge Inspections	0.411
	Waste Disposal Inflation	0.235
RED	Whinney Hill School – Security (Surplus Property)	0.083
	Concessionary Fares	0.317
	Office Accommodation Project	0.120
	Netpark Institute	0.400
Resources	Coroner's Service	0.216
	E-learning (HR)	0.018
Total		1.873

- 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	0.216	-0.130	-0.669
Children and Adults Services	-12.029	1.879	1.580	0.000	-8.570
Neighbourhoods	-2.782	0.130	0.521	-1.105	-3.236
Regeneration and Econ Development	-3.007	0.000	1.203	-1.320	-3.124
Resources	-3.563	0.358	1.318	-1.439	-3.326
TOTAL CASH LIMIT RESERVE	-22.386	2.617	4.838	-3.994	-18.925
General Reserve	-28.132	0.933	3.000	-4.717	-28.916

- 8 The forecasted Cash Limit and General Reserves position is a prudent one given the forecasted levels of savings the Council needs to make of £86.666m 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 against the revised budgets are detailed by each Service Grouping below.

Assistant Chief Executive

- 10 The forecast revenue outturn for 2014/15 is a cash limit underspend of £0.130m for the year after taking account of the forecast use of reserves and items outside the cash limit which is a small improvement on the Quarter 2 forecast position of £80k underspent.
- 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 - £79k overspend primarily due to a managed overspend on employee related costs.
 - Planning and Performance – £71k underspend mainly as a result of a managed underspend on supplies and services.
 - Policy and Communications - £0.138m underspend resulting from a £92k managed underspend on employees predominantly in the Civil Contingencies Unit. Additional income from advertising is also forecast to generate £18k. The remainder of the underspend is from a tight control of the supplies and services budget across the service.
 - Each of the 14 area action partnerships (AAP) have an 'Area' budget to contribute to local projects of £0.096m 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 £2.075m is being held against this budget.
 - In 2014/15 Members' Neighbourhood revenue budget, including sums carried forward from the previous year, totalled £1.735m. Committed spend of £0.753m is being held against this budget.
- 12 Taking the projected outturn position into account, including items proposed to be treated as outside the cash limit and transfers to/from Reserves in year, the total cash limit reserve forecasted to be carried forward for ACE is £0.669m at 1 April 2015.

Children and Adults Services

- 13 The 2014/15 projected outturn position for Children and Adults Services (CAS), based on the information to 31 December 2014, is a balanced position. The outturn position is after an additional £8.15m contribution to the Demographic/Hyperinflationary Pressures Reserve to support future MTFP pressures, and compares to a projected CAS under spend of £3.249m at Q2.
- 14 The updated projections take 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.
- 15 There is a charge for empty property business rate costs of c£66k for the former North Durham Academy sites at Greencroft and Tyne Road. Empty

property business rate costs have previously been treated as outside the cash limit and similar treatment is requested for the North Durham Academy sites in 2014/15. The Tyne Road building was demolished in September and work continues to be undertaken at Greencroft, with an element of demolition taking place at the end of February. There will be no similar costs in 2015/16 in relation to these buildings.

- 16 The updated forecast 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 £3.7m;
 - Net spend on adult care packages is forecast to be approximately £4.9m below budget, which represents circa 5.4% of the adult social care budget. This area of spend is being 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 continue to review the approach to future years' savings in order to build this into future years' proposals where it is appropriate to do so. This needs careful consideration 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.
 - A review of one-off funds within Adult Care-related budgets has enabled c£2m of funds to be made available to support future MTFP requirements.
 - Excluded from the cash limit outturn is a £15.15m contribution to the Demographics/Hyper inflationary Pressures Reserve in year to offset and delay MTFP pressures into future years. Indications are that current demographic pressures, particularly in respect of learning disabilities and mental health service users, will continue into future years, with additional pressures anticipated from the older people service user group in the future. Inflationary pressures over and above MTFP allocations within the key external care markets will also create pressure on the MTFP, and therefore it is deemed prudent to set aside funds during the current year to support future expenditure requirements across adult care budgets and delay the cumulative impact of this growth into later years;
 - Children's Services is forecasting a net under spend of £3.331m. This is primarily related to savings from a reduction in the number of Looked after Children placed with Independent Fostering Agencies and

associated costs; additional income within the One Point Service and vacancies across the service, which are being held and which will contribute to MTFP savings in 2015/16. The underspend in these areas represents c6.5% of the children's services controllable budget.

- The Education Service is currently forecasting a net under spend of £1.2m. This represents c6.4% of the education services controllable budget. In the main, this under spend relates to early achievement of 2015/16 MTFP savings related to vacant posts; restructuring; and additional Service Level contract income. Home to School transport is estimated to underspend by c£0.2m due to lower costs on Special Education Needs transport.

- 17 Taking the projected outturn position into account, including the transfer to and from Reserves in year, the estimated cash limit reserve to be carried forward for Children and Adults Services is forecast to be £8.570m. .

Neighbourhood Services

- 18 The forecast revenue outturn for 2014/15 is a cash limit underspend of £1.105m, after taking account of the forecast use of reserves, and items treated as outside the cash limit. This compares to the previous forecast, at Quarter 2, of a £0.820m underspend.
- 19 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.
- 20 The main reasons accounting for the outturn position are the net effect of the following items:
- Within Direct Services there are underspends on premises costs relating to Admin Buildings of £0.293m. In addition there is an underspend of £0.440m throughout Direct Services due to the early delivery of 2015/16 MTFP savings.
 - There is a projected underspend of £0.478m within Technical Services. The trading areas in Highway and Design Services are generating increased surpluses of approximately £3m but these are offsetting increased policy led expenditure on highway maintenance in relation to Category 1 and Category 2 defects along with general maintenance around patching, drainage and footways (£0.900m). The trading surpluses are also covering off increased expenditure on Bridge Inspections (£0.400m), gully cleansing (£0.300m) and Street Lighting Column Replacements (£1m). Category 1 and Category 2 defects are identified from Highway Safety Inspections and repairs are required in accordance with our Highway Safety Inspection Manual and our Highway Maintenance Plan which are aligned with national standards. Similarly, the increased expenditure on bridges inspections and gully cleansing is to meet the Highway Maintenance Plan which is aligned with national standards.
 - There are managed underspends of £0.201m within Environment, Health and Consumer Protection associated with employees and

supplies and services costs. Some of these underspends relate to early achievement of 2015/16 MTFP savings requirements.

- Within Projects and Business Services, there is a forecast overspend of approximately £0.263m. This is due to an overspend of £0.319m within Strategic Waste mainly due to additional costs associated with the Materials Recycling Facility contract for processing of Dry Kerbside Recycling materials, and increased repairs and maintenance costs associated with Power Generation equipment. The overspend within Waste is partially offset by underspends within Business Support and Policy, Performance and Communications.

- 21 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 £3.236m.

Regeneration and Economic Development (RED)

- 22 The 2014/15 forecast outturn for Regeneration and Economic Development is a cash limit underspend of £1.320m. The outturn projections take 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. This compares to the previous forecast, at Quarter 2, of a £1.050m underspend.

- 23 The forecast underspend is a managed position. The main reasons accounting for the outturn position are the net effect of the following items:

- Strategy Programmes and Performance - £89k saving on salary costs due to vacancies, maternity leave and staff working reduced hours.
- Economic Development and Housing - £0.169m underspend primarily due to an underspend in Business Durham (£0.322m) principally arising from additional income at Netpark, a managed overspend in Economic Development (£0.073m) due to Apprenticeship support, and an additional overspend in Housing Solutions (£0.117m) primarily due to approved additional spending on prevention initiatives.
- Planning and Assets - £0.239m underspend which is broken down into a £0.514m underspend in the Planning service and a £0.275m overspend in the Assets Service. The underspend in the Planning service primarily results from an increase in planning fee income, from vacant posts and other efficiency savings on running costs. 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 rental income is not being achieved.
- Transport - £0.823m underspend overall. This includes an underspend in Sustainable Transport (£0.442m) primarily resulting from savings in the bus contracts and an underspend in Supported Housing (£0.414m) mainly arising from additional care connect client income.

- 24 Taking the projected outturn position into account, including items proposed to be treated as outside the cash limit and transfers to/from Reserves in year the

forecasted cash limit reserve to be carried forward for Regeneration and Economic Development is £3.124m.

Resources

- 25 The forecast revenue outturn for 2014/15 is a cash limit underspend of £1.439m for the year after taking account of the forecast use of reserves and items outside the cash limit. This compares to the previous forecast, at Quarter 2, of a £1.122m underspend.
- 26 The forecast underspend is a managed position. The 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 £0.297m. £192k of this relates to the early achievement of 2015/16 MTFP savings. Increased income of £94k, including £42k for VAT services, is also forecast.
 - Financial Services is forecast to underspend by £0.400m, consisting primarily of £0.256m in respect of the early achievement of 2015/16 MTFP savings. There are also managed underspends against employees (£74k), supplies and services (£65k) and staff travel costs (£53k) and increased income of £84k from SLAs and Job Centre Plus income. These are offset by a net increase of £0.118m for work packages in Revenues and Benefits.
 - Human Resources is forecasting an underspend of £0.154m through a £0.301m saving from staff vacancies from the service restructure, partly offset by costs incurred in support of the restructure.
 - ICT Services is forecasting an underspend of £12k, including £0.121m underbudget on employees from the early achievement of MTFP savings, offset by £71k unbudgeted costs of the Digital Durham project.
 - Internal Audit is forecast to underspend by £87k resulting from an underspend on employees, through tight management and control of staff vacancies and secondments in anticipation of 2015/16 MTFP savings.
 - Legal and Democratic Services is forecast to underspend by £0.394m, comprising £0.135m from the early achievement of future years MTFP savings, £0.146m vacancy savings and increased income of £98k from Registration Services, partly offset by minor variance across a range of other budget headings.
 - Service Management is forecasting an underspend of £94k, through income generated from providing services to Northumberland County Council under a collaborative arrangement.
 - Housing Benefits is forecasting a balanced budget position.

- 27 There is also a £48k underspend against Centrally Administered Costs. Savings against the budgets for Audit Fees (£42k), subscriptions (£16k) and bank charges (£40k) are partly offset by an overspend on expenses associated with raising loans (£50k).
- 28 Taking the projected outturn position into account, including items proposed to be treated as outside the cash limit and transfers to/from Reserves in year, the forecast cash limit reserve to be carried forward for Resources is £3.326m.

Central Budgets

- Interest Payable and Similar Charges - Capital Financing

- 29 Following a review of capital financing costs, linked to re-profiling within the capital programmes earlier in the year, there is a forecast underspend of £4.5m. 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

- 30 The forecast of outturn is an overachievement of income of £0.385m which is due to a higher than anticipated level of cash balances and compares to the previously reported position of a £0.248m overachievement of income. The improved position from quarter 2 is as a result of investing £20m with the Royal Bank of Scotland in a two-year stepped deposit account, which is attracting higher interest rates of 1.1% for the period 15 December 2014 to 14 December 2015, and 1.5% from 15 December 2015 to 15 December 2016.

- Education Services Grant

- 31 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 20% reduction in 2015/16, amounting to circa £1.521m and this has been built into the budgets for 2015/16.

Earmarked Reserves Forecast

- 32 The table at Appendix 4 sets out the 56 earmarked reserves that the Council has plus two earmarked reserves for schools, where funding has been set aside in anticipation of future expenditure and shows the forecasted balance on these reserves by 31 March 2015.

33 A summary of the latest forecast by 31 March 2015 is shown below:

	Non-Schools £m	Schools and DSG £m	Cash Limits £m	TOTAL £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	-23.148	7.043	3.461	-12.644
Forecasted Earmarked Reserve Balance as at 31 March 2015	-135.660	-24.008	-18.925	-178.593

Schools

- 34 The total delegated budget for maintained schools (including early years' providers) in 2014/15 is £249.045m. In addition, schools are estimated to receive around £19.690m in Pupil Premium income and £10.733m in other income.
- 35 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. Since then, five schools have closed and one has converted to an academy.
- 36 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, which has reduced to £25.022m following the closures and conversions. Based on updated budget plans approved by Governing bodies and updated forecasts, schools are currently planning to use £7.043m of these balances in 2014/15, compared to £4.867m at quarter two.
- 37 The reduction in forecast balances reflects the fact that many schools do not make a full allocation of their budget at the start of the year and allocate funding as needs arise during the year. In addition, schools that have saved funding from previous years for capital projects may not allocate this until the project has been confirmed as proceeding. Around £0.800m of the change in forecasts relates to capital projects.
- 38 The forecast balances at 31 March 2015 are £17.980m (£19.817m at quarter two) and a summary of this forecast position is provided in the following table:

Schools forecasting a surplus above 2.5% of funding						
	Nursery	PRU	Primary	Secondary	Special	Total
Number	12	-	195	9	7	223
Forecast	(£0.714m)	-	(£15.361m)	(£1.674m)	(£1.491m)	(£19.240m)
Schools forecasting a surplus of less than 2.5% of funding						
	Nursery	PRU	Primary	Secondary	Special	Total
Number	-	-	15	4	1	20
Forecast	-	-	(£0.204m)	(£0.316m)	(£0.032m)	(£0.552m)
Schools forecasting a deficit						
	Nursery	PRU	Primary	Secondary	Special	Total
Number	-	1	2	3	1	7
Forecast	-	£0.249m	£0.099m	£1.431m	£0.033	£1.812m
Total						
	Nursery	PRU	Primary	Secondary	Special	Total
Number	12	1	212	16	9	250
Forecast	(£0.714m)	£0.249m	(£15.466m)	(£0.559m)	(£1.490m)	(£17.980m)

- 39 There is a cause for concern with those secondary schools forecasting deficit balances at the end of the year. Officers from CAS (Education) and Resources (Financial Services) are working with two of the schools to establish credible budget plans to clear their deficits over the short to 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.

Housing Revenue Account (HRA)

- 40 In summary, the HRA shows a forecasted balanced outturn position on the revenue account after using a projected surplus of £0.711m 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	-62,075	-62,333	-258
Other Income	-1,371	-1,377	-6
Interest and Investment Income	-105	-105	0
Total Income	-63,551	-63,815	-264
Expenditure			
ALMO Fees	16,464	16,464	0
Repairs, Supervision and Management Costs	11,825	13,299	1,474
Depreciation	7,872	7,872	0
Interest Payable	12,627	10,706	-1,921
Revenue Contribution to Capital Programme	14,763	15,474	711
Total Expenditure	63,551	63,815	264
2014/15 Surplus transferred to balances	0	0	0

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

41 The main variances are explained below:

- Dwelling Rents £0.234m increased income – this results from a lower than anticipated void rate and less Right to Buys being completed in the year;
- Repairs, Supervision and Management Costs £1.474m overspend – this results from £1.562m costs incurred in setting up the new Housing Company, which was previously agreed to be met from existing revenue savings, offset by savings on vacant posts and premises costs at Durham City Homes,
- Interest Payments £1.921m 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 Capital £0.711m 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

- 42 A revised General Fund (GF) capital budget for 2014/15 was agreed as at £166.292m by Council on 26 February 2014.
- 43 The 2014/15 Housing Revenue Account (HRA) Capital budget of £50.489m was also approved by Council on 26 February 2014.
- 44 The Council's Member Officer Working Group (MOWG), which closely monitors the capital programme, has since recommended for approval a small number 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

- 45 The following table summarises the latest capital budget approved by MOWG on 3 February 2015. The table also shows the revised programme for each service and the actual spend as at 31 December 2014.

Service Grouping	Original Budget £m	Reprofiling from 2013/14 to 2014/15 £m	Amendments recommended by MOWG £m	Revised 2014/15 Budget £m	Actual Spend to 31 December 2014 £m
Assistant Chief Executives	3.471	0.932	-0.838	3.565	0.979
Children and Adults Services	56.839	11.697	-21.642	46.894	27.833
Neighbourhoods	38.840	5.352	-5.073	39.119	23.834
Regeneration and Economic Development	56.269	2.835	-22.550	36.554	24.470
Resources	10.873	1.525	-5.219	7.179	4.540
Total	166.292	22.341	-55.322	133.311	81.656

46 During the period November 2014 to February 2015 the following significant variations have been approved by MOWG:

- **CAS** – Public Health funding of £2.185m has been identified to support 3 major initiatives: £0.685m to carry out alterations in 6 premises throughout the County to support the delivery of the new Drugs and Alcohol strategy, £1m to establish 20mph zones outside identified schools and £0.500m to improve key walking routes throughout the County with a view to combatting obesity.
- **CAS** – Reduction of £5m following the decision regarding the future of Residential Care Homes.
- **RED** – Additional private sector contributions to the value of £0.553m have been secured towards the following Group Repair schemes at Dawdon (£0.302m), Wembley (£0.210m) and Craghead (£41k). The Dawdon and Wembley contributions have been re-profiled into 2015/16 to reflect service delivery.
- **RED** - Potential capital receipts to the value of £0.967m have been identified to fund the demolition of Roseberry Sports Community College, of which, £0.815m is forecast to be spent in 2015/16.
- **Neighbourhood Services** – £0.167m has been awarded towards the refurbishment of Wharton Park, including Section 106 monies of £0.100m and £67k from revenue.
- **HRA** – Reductions to the HRA are as follows: £0.500m due to the New Build Programme not progressing and £2.726m as a result of the Stock Transfer, as previously planned expenditure will now not be delivered before the transfer on 23 March.

47 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:

- **CAS** - £12.455m of the School Capital Programme has been re-profiled into 2015/16 and a further £0.410m into 2016/17 to reflect anticipated contract payments and service delivery.
- **RED** – £1.55m of the Empty Homes Cluster budget in 2014/15 has been re-profiled into 2015/16. This includes includes £0.800m for the provision of grants and loans due to the extension of the programme and £0.750m as a result of the slow uptake of the group repair and boundary wall programme.
- **RED** – £0.369m of the Hordern (Peterlee Railway) scheme has been re-profiled into 2015/16. The delivery timescales of this scheme is determined by Network Rail and although the design work is underway, it will now be completed in 2015/16.

- **RED** - £1.249m of the Villa Real Road Realignment scheme has been re-profiled into 2015/16 due to issues surrounding land acquisition.
- **RED** - £0.749m of the Woodham Community Technology scheme has been re-profiled due to the on-going negotiations with the site owner.
- **Resources** - £1.181m relating to 6 ICT projects has been re-profiled into 2015/16 to reflect the revised delivery of the programme.
- **Neighbourhood Services** - £2.282m of the Waste Management Budget has been re-profiled into 2015/16 due to the delay in the Environment Agency agreeing project designs.
- **Neighbourhood Services** - £0.370m of the Bereavement Improvement budget has been re-profiled due to the current workload of Technical Services.

48 The Council meeting on 25 February 2015 approved additional capital investment of £52.591m for the financial years 2015/16 and 2016/17. This is summarised in the following table.

Additional Capital Schemes for 2015/16 and 2016/17

Service Grouping	2015/16 £m	2016/17 £m
Assistant Chief Executives	-	2.100
Children and Adults Services	1.424	5.635
Neighbourhoods	0.910	20.508
Regeneration and Economic Development	4.325	15.684
Resources	0.250	1.755
Total	6.909	45.682

49 The revised capital programme incorporating the agreed additional investment noted above is summarised in the table below..

Service Grouping	2014/15 Programme £m	2015/16 Programme £m	2016/17 Programme £m	2017/18 onwards Programme £m	Total £m
Assistant Chief Executives	3.565	3.776	2.100	0.144	9.585
Children and Adults Services	46.894	45.453	8.159	0.315	100.821
Neighbourhoods	39.119	40.091	24.328	7.631	111.169
Regeneration and Economic Development	36.554	47.971	32.249	-	116.774
Resources	7.179	13.422	6.614	-	27.215
Total	133.311	150.713	73.450	8.090	365.564

Housing Revenue Account Capital Programme

- **HRA** – Reductions to the HRA in the last quarter are as follows: £0.500k due to the New Build Programme not progressing and £2.726m as a result of the Stock Transfer, as previously planned expenditure will now not be delivered before stock transfers in April 2015.

Service Grouping	Original Budget £m	Reprofiling from 2013/14 to 2014/15 £m	Amendments recommended by MOWG £m	Revised 2014/15 Budget £m	Actual Spend to 31 December 2014 £m
HRA	50.489		-3.772	47.617	28.325
Total	50.489	-	-3.772	47.617	28.325

Capital Financing

50 The following tables summarise the recommended financing of the revised Capital Programme:

Financing- General Fund Capital Programme 2014/15

Financed By	Original Budget £m	Reprofiling from 2013/14 to 2014/15 £m	Amendments recommended by MOWG £m	Revised 2014/15 Budget £m
Grants and Contributions	69.055	5.741	-12.838	61.958
Revenue and Reserves	4.993	2.606	-1.777	5.822
Capital Receipts	20.474	3.150	-13.395	10.229
Borrowing	71.770	10.844	-27.312	55.302
Total	166.292	22.341	-55.322	133.311

Financing - Housing Revenue Account Capital Programme 2014/15

Financed By	Original Budget £m	Reprofiling from 2013/14 to 2014/15 £m	Amendments recommended by MOWG £m	Revised 2014/15 Budget £m
Grants and Contributions	19.286	-	-0.605	18.681
Revenue and Reserves	24.589	-	-1.782	22.807
Capital Receipts	1.547	-	-0.897	0.650
Borrowing	5.067	-	-0.488	4.579
Total	50.489	-	-3.772	46.717

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

Council Tax and Business Rates Collection Funds

Council Tax

52 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.

53 Council Tax collection for Q3 2014/15 is ahead of last year's equivalent position by 0.04 percentage points but behind the current year target of 83.38% by 0.46 percentage points. However, it is expected that the planned recovery schedule will maintain the continuous improvement and meet the 96.0% annual target. This is being achieved through more automation of the 2014/15 recovery schedule used to target 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.

54 The in-year collection rates in Quarter 3 for the last three years including the current year are shown below:

Billing Year	Position at 31 December Each Year %
2014/15	82.9
2013/14	82.9
2012/13	82.7

55 The current overall collection rate for 2013/14 council tax liabilities is now 96.87% and for 2012/13 council tax liabilities is now 97.70%. The Council continues to recover Council Tax from earlier years and currently, the collection rate for all years excluding the current year is 99.07% which is line with our medium term financial plan forecasts.

56 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%.

57 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.

58 At 31 December 2014, the Estimated Outturn for the Council Tax Collection Fund was a break-even situation arrived at as shown in the following table. Durham County Council's share would therefore be NIL.

	£'000
Net Bills issued during Accounting Year 2014/15	272,562
LCTRS and previous year CTB adjustments	-52,445
Calculated change in provision for bad debts required and write offs	-8,339
Net income receivable (a)	211,778
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)	-2
Surplus Brought Forward from 2013/14	2
Estimated year end surplus	0

- 59 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.
- 60 At 15 January 2015 an estimated break-even position on the Council Tax Collection Fund for 2014/15 was declared. Any actual surplus at 31 March 2015 will be carried forward to 15 January 2016 and will be taken into account in estimating the surplus/deficit for 2015/16, which will need to be taken into account for 2016/17 budget setting.
- 61 Over the past three years, the Council Tax provision for bad debts has been increasing steadily. This managed approach has been necessary to ensure that the Council Tax Collection Fund did not move into deficit whilst securing the robustness of the levels of provision held. The provision is forecast to reach the targeted level originally envisaged, but the method of calculation applied currently differs to that applied to Business Rates and Sundry Debtors.
- 62 A further review of the provision has now been undertaken to bring it into line with that of Business Rates and Sundry Debtors and this is reflected in the figures in the table above.

Business Rates

- 63 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.
- 64 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.
- 65 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 31 December, the forecast outturn for the Collection Fund Business Rates is an in year surplus of £4.302m arrived at as shown in the following table.

	£'000
Net rate yield for 2014/15 including previous year adjustments	118,898
Estimate of changes due to appeals lodged and future appeals	-4,934
Estimated losses in Collection – Provision for Bad Debts and Write-offs	-2,195
Net income receivable (a)	111,769
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 and Renewable Energy (paid to Durham County Council)	612
Total fixed payments (b)	107,467
Net surplus for year (a) – (b)	4,302
Deficit (-) brought forward from 2013/14	-3,282
Estimated year end surplus	1,020

- 66 The in-year surplus forecast will offset the deficit brought forward from 2013/14, leaving a residual balance of £1.020m at 31 March 2015. Any surpluses or deficits at 31 March in any year are shared proportionately between Durham County Council, Central Government and County Durham and Darlington Fire and Rescue, Durham County Council's share being 49%. In the above estimate, Durham County Council's share of this surplus would be £0.500m. However, the increase in expected income is matched by a decrease in expected Section 31 grants related to Business Rate reliefs, making a break-even situation overall.
- 67 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 31 December 2014, the in-year collection rate for 2014/15 charges was 81.63% which was 3.82 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 indicate that this is something that is being experienced by other authorities this year also.
- 68 The in-year collection rates in Quarter 3 for the last three years, including the current year, are shown below:

Billing year	31 December %
2014/15	84.3
2013/14	85.4
2012/13	81.6

- 69 Whilst the year to date position in the current year is 3.82 percentage points below the same point last year, in year performance is actually 0.94 percentage points ahead of the re-profiled target. The re-profiled in-year target as at 31 December takes into account the fact that the major Business Rate Payers (all supermarket chains etc.) have all opted to pay their Business Rates over 12 months this year, whereas last year they paid over 10 months in line with the original statutory requirement. The Government changed the statutory instalment periods 1 April 2014, allowing business rate payers the right to request payment over 12 months rather than over 10.
- 70 The current overall collection rate for 2013/14 business rate liabilities is now 97.57% and for 2012/13 business rate liabilities is now 98.00%. The Council continues to recover Business Rates from earlier years and currently, the collection rate for all years excluding the current year is 99.18% which is line with our medium term financial plan forecasts.

Section 31 Grant - Small Business Rate Relief

- 71 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.

- 72 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.
- 73 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.
- 74 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 and adjustments to the Small Business Rate Relief on 2013/14 bills. Any adjustments that relate to bills for years prior to this will be dealt with as part of the normal Rate Retention shares. At 31 December 2014, the estimated gross Small Business Relief awarded against 2014/15 Business Rates bills and adjustments to 2013/14 bills is £9.614m, and on this the Council would receive £2.375m in Section 31 Grant, including the capping adjustment.

Other Section 31 Grants

- 75 In the Autumn Statement 2013, additional Business Rate Reliefs were announced for 2014/15, for which Section 31 Grants would be payable. These included one for properties empty from new, reoccupation of long-term empty properties and an additional relief for small shops. Durham County Council will be recompensed for any retained rates foregone because of reliefs given. When assessing estimated outturn income from Business Rates, due regard must also be given on the effect that changes in estimated reliefs will have on the Section 31 grants. At 31 December 2014, the estimated shortfall in Section 31 grants was £0.500m, the same as the estimated share of the estimated Collection Fund - Business Rates surplus, giving overall a break even position.

Provision for Appeals

- 76 Ratepayers have the right to appeal against the rateable value of their properties which are assessed by the Valuation Office Agency, part of HMRC. 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. If successful, the appeal may result in a reduction being applied to all bills issued from 1 April 2010 for that property.
- 77 In a change from the report issued at the end of quarter 2, it has now been announced that only appeals submitted up to 31 March 2015 can be backdated to 1 April 2010. From 1 April 2015, appeals submitted up to 31 March 2017 will only be backdated to 1 April 2015. This has led to a marked increase in the number and value of appeals currently being lodged.

Additionally, there has been evidence nationally that appeals on superstores are likely to be more successful than previously anticipated. For these reasons, the provision for appeals has been increased to take account of the higher risk. At 31 December 2014, it is estimated that the provision for Appeals would need to be increased by £4.934m for 2014/15. This will continue to be monitored as the appeals are lodged and settled during the rest of 2014/15.

Recommendations and Reasons

78 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.
- Agree that Schools be advised of the need to have minimum and maximum balances at 31 March as detailed in paragraphs 34 to 39.
- 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
- (d) Cabinet – 10 September 2014 - Forecast of Revenue and Capital Outturn 2014/15 for General Fund and Housing Revenue Account – Period to 30 June 2014
- (e) Cabinet – 19 November 2014 - Forecast of Revenue and Capital Outturn 2014/15 for General Fund and Housing Revenue Account – Period to 30 September 2014

Contact:	Jeff Garfoot	Tel: 03000 261946
	Paul Darby	Tel: 03000 261930

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 -

The figures contained within this report have been extracted from the General Ledger, and have been scrutinised and supplemented with information supplied by the Service Management Teams and budget holders. The projected outturn has been produced taking into consideration spend to date, trend data and market intelligence, and includes an element of prudence. This, together with the information supplied by Service Management Teams and budget holders, helps to mitigate the risks associated with achievement of the forecast outturn position.

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 -

The outturn proposals contained within this report have been prepared in accordance with standard accounting policies and procedures

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	10,805	447	0	-378	10,874	10,744	-130
Children and Adults Services	275,231	273,646	788	0	-15,258	259,176	259,176	0
Neighbourhood Services	109,765	114,374	1,864	151	-5,787	110,602	109,497	-1,105
Regeneration and Economic Development	42,653	44,927	904	-10	-1,744	44,077	42,757	-1,320
Resources	14,447	15,578	-2,466	0	-597	12,515	11,076	-1,439
Cash Limit Position	452,296	459,330	1,537	141	-23,764	437,244	433,250	-3,994
Contingencies	7,706	8,908	-2,636		0	6,272	6,272	0
Corporate Costs	3,924	3,663	125	0	-606	3,182	3,134	-48
NET COST OF SERVICES	463,926	471,901	-974	141	-24,370	446,698	442,656	-4,042
Capital charges	-50,474	-50,474	974			-49,500	-49,500	0
Interest and Investment income	-1,441	-1,441				-1,441	-1,826	-385
Interest payable and similar charges	38,444	38,291				38,291	33,791	-4,500
Net Expenditure	450,455	458,277	0	141	-24,370	434,048	425,121	-8,927
Funded By:								
Council tax	-168,844	-168,844				-168,844	-168,844	0
Council tax freeze grant	0	0				0	0	0
Use of earmarked reserves	-8,140	-8,265			24,370	16,105	16,105	0
Estimated net surplus on Collection Fund	0	0				0	0	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	-2,343	-149
Section 31 Grant - Settlement Funding Assessment Adj	-1,703	-1,703				-1,703	-1,084	619
Section 31 Grant - Retail Adjustment	-1,204	-1,204				-1,204	-1,215	-11
Education Services Grant	-7,237	-7,237				-7,237	-7,490	-253
Forecast contribution to/from Cash Limit Reserve	-2,617	-7,314		-141		-7,455	-3,461	3,994
Forecast contribution to/from General Reserves	-933	-3,933				-3,933	784	4,717
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 2014/15	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	493,045	-116	492,929	495,502	0	0	27	-4,975	490,554	-2,375	0
Premises	49,510	54,565	726	55,291	55,815	0	-66	0	-46	55,703	412	0
Transport	46,657	46,380	-146	46,234	44,899	0	0	0	22	44,921	-1,313	0
Supplies & Services	114,270	121,754	-272	121,482	127,439	1,809	-400	-168	1,274	129,954	8,472	-34
Agency & Contracted	260,165	266,018	-4,229	261,789	260,532	3,392	-115	0	1,263	265,072	3,283	-14
Transfer Payments	206,771	207,286	-1,652	205,634	204,700	0	91	0	-83	204,708	-926	0
Central Costs	94,797	77,977	8,635	86,612	85,123	0	0	0	2,788	87,911	1,299	0
DRF	0	0		0	0	0	0	0	0	0	0	0
Other	12,637	13,362	-1,788	11,574	18,974	0	0	0	9,529	28,503	16,929	0
Capital Charges	50,474	50,474	-973	49,501	49,540	0	0	0	0	49,540	39	0
GROSS EXPENDITURE	1,318,327	1,330,862	185	1,331,047	1,342,525	5,201	-490	-141	9,772	1,356,867	25,820	-48
Income												
- Specific Grants	539,986	542,505	145	542,650	541,626	2,067	0	0	-1,516	542,177	473	0
- Other Grants & conts	25,830	29,548	95	29,643	38,777	0	0	0	-7,528	31,249	-1,606	0
- Sales	5,367	4,986	168	5,154	5,488	0	0	0	0	5,488	-334	0
- Fees & charges	104,308	104,119	175	104,294	107,253	0	0	0	-1,352	105,901	-1,607	0
- Rents	5,470	5,445	3	5,448	5,911	0	0	0	0	5,911	-463	0
- Recharges	174,150	173,464	-1,827	171,637	201,059	0	0	0	-4,202	196,857	-25,220	0
- Other	6,996	7,802	254	8,056	9,161	0	0	0	0	9,161	-1,105	0
Total Income	862,107	867,869	-987	866,882	909,275	2,067	0	0	-14,598	896,744	-29,862	0
NET EXPENDITURE	456,220	462,993	1,172	464,165	433,250	3,134	-490	-141	24,370	460,123	-4,042	-48

Appendix 4: Earmarked Reserves Position as at 31 December 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 31 DECEMBER 2014
			£,000	£,000	£,000	£,000	£,000	£,000
1	ACE AAP/Members Reserve	ACE	-3,276	111	0	5	116	-3,160
2	ACE Grant Reserve	ACE	-230	75	0	0	75	-155
3	ACE Operational Reserve	ACE	-132	8	0	0	8	-124
4	Social Care Reserve	CAS	-8,514	659	-5,579	750	-4,170	-12,684
5	Community Safety Reserve	CAS	-6	0	0	0	0	-6
6	Aycliffe Young People's Centre Reserve	CAS	-1,387	360	0	0	360	-1,027
7	Continuing Professional Development Reserve	CAS	-993	5	0	0	5	-988
8	Education Reserve	CAS	-987	0	-1,263	0	-1,263	-2,250
9	Tackling Troubled Families	CAS	-1,557	0	-309	0	-309	-1,866
10	Special Projects Reserve	CAS	-60	23	0	0	23	-37
11	Public Health Reserve	CAS	-4,992	151	0	0	151	-4,841
12	Neighbourhoods AAP Reserve	NS	-38	38	0	0	38	0
13	Customer Services Reserve	NS	-387	137	0	0	137	-250
14	Direct Services Reserve	NS	-3,675	970	-440	0	530	-3,145
15	Env. Health and Consumer Protection Reserve	NS	-516	306	-200	0	106	-410
16	Culture and Sport Reserve	NS	-1,962	729	-75	0	654	-1,308
17	Strategic Waste Reserve	NS	-425	150	-1,300	0	-1,150	-1,575
18	Technical Services Reserve	NS	-1,619	254	-348	0	-94	-1,713
19	Transport Asset Management Programme Reserve	NS	-318	100	0	0	100	-218
20	Business Growth Fund Reserve	RED	0	0	0	-913	-913	-913
21	Economic Development Reserve	RED	-1,401	304	0	0	304	-1,097
22	Planning Reserve	RED	-1,173	6	0	0	6	-1,167
23	North Pennines AONB Partnership Reserve	RED	-637	0	0	0	0	-637
24	Employability and Training Reserve	RED	-644	255	-57	0	198	-446
25	RED Regeneration Reserve	RED	-1,628	0	-354	713	359	-1,269
26	Housing Regeneration Reserve	RED	-61	0	-200	0	-200	-261
27	Housing Solutions Reserve	RED	-1,079	15	0	0	15	-1,064
28	Restructure Reserve	RED	-729	0	0	0	0	-729
29	LSVT Reserve	RED	-100	0	0	100	100	0
30	Transport Reserve	RED	-329	0	0	0	0	-329
31	Funding and Programmes Management Reserve	RED	-131	0	0	0	0	-131
32	Resources Corporate Reserve	Resources	-2,219	104	0	1,480	1,584	-635
33	Resources DWP Grant Reserve	Resources	-928	90	-1,028	0	-938	-1,866
34	Resources System Development Reserve	Resources	-1,291	540	0	0	540	-751
35	Resources Housing Benefit Subsidy Reserve	Resources	-2,198	0	-39	1,200	1,161	-1,037
36	Local Council Tax Support Scheme Reserve	Resources	-1,031	0	0	0	0	-1,031
37	Resources Land Search Fees Reserve	Resources	-1,000	0	0	0	0	-1,000
38	Resources Legal Expenses	Resources	-200	0	0	0	0	-200
39	Resources Elections Reserve	Resources	-1,036	136	0	0	136	-900
40	Resources ICT Reserves	Resources	-730	0	-171	0	-171	-901
41	Human Resources Reserve	Resources	0	0	-65	0	-65	-65
42	Cabinet Reserve	Corporate Fin	-220	0	0	220	220	0
43	Corporate Reserve - Demographic Pressures	Corporate Fin	-10,850	3,150	-15,150	-750	-12,750	-23,600
44	Equal Pay Reserve	Corporate Fin	-17,405	3,685	-207	0	3,478	-13,927
45	Insurance Reserve	Corporate Fin	-13,057	0	0	0	0	-13,057
46	Performance Reward Grant Reserve	Corporate Fin	-1,308	176	0	0	176	-1,132
47	MTFP Redundancy and Early Retirement Reserve	Corporate Fin	-16,256	6,255	0	0	6,255	-10,001
48	Office Accommodation Project Support Reserve	Corporate Fin	-1,000	45	0	0	45	-955
49	Planned Delivery Programme (PDP) Reserve	Corporate Fin	0	0	-3,000	-7,000	-10,000	-10,000
50	Capital Expenditure Reserve	Corporate Fin	-2,797	0	0	-5	-5	-2,802
51	Office Accommodation Capital Reserve	Corporate Fin	0	0	-8,000	0	-8,000	-8,000
	Total Non-Schools Reserve		-112,512	18,837	-37,785	-4,200	-23,148	-135,660
	Cash Limit Reserves							
52	Assistant Chief Executive		-1,005	250	-130	216	336	-669
53	Children and Adults Services		-12,029	1,879	0	1,580	3,459	-8,570
54	Neighbourhood Services		-2,782	629	-1,105	22	-454	-3,236
55	Regeneration and Economic Development		-3,007	17	-1,320	1,186	-117	-3,124
56	Resources		-3,563	480	-1,439	1,196	237	-3,326
	Total Cash Limit Reserves		-22,386	3,255	-3,994	4,200	3,461	-18,925
	Schools' Balances							
Sch 1	Schools' Revenue Balance	CAS	-24,684	7,043	0	0	7,043	-17,641
Sch 2	DSG Reserve	CAS	-6,367	0	0	0	0	-6,367
	Total Schools and DSG Reserve		-31,051	7,043	0	0	7,043	-24,008
	Total Earmarked Reserves		-165,949	29,135	-41,779	0	-12,644	-178,593

Appendix 5: Forecasted Housing Revenue Account to 31 March 2015

	Annual Budget	Projected Outturn	Forecasted Variance
	£000	£000	£000
Income			
Dwelling Rents	-62,075	-62,333	-258
Non Dwelling Rents	-1,024	-1,010	14
Charges for Services and Facilities	-347	-367	-20
Total Income	-63,446	-63,710	-264
Expenditure			
ALMO Management Fee and Outsourced Contract	16,464	16,464	0
Repairs and Maintenance	4,376	4,376	0
Supervision and Management - General	3,985	5,480	1,495
Supervision and Management - Special	430	409	-21
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	171	171	0
Total Expenditure	34,696	36,170	1,474
Net cost of HRA services per Authority I&E Account	-28,750	-27,540	1,210
HRA services share of Corporate and Democratic Core	1,063	1,063	0
Net Cost of services but not allocated to specific services	402	402	0
Net cost of HRA Services	-27,285	-26,075	1,210
Interest Payable and Similar Charges	12,627	10,706	-1,921
Direct Revenue Financing [Balancing Item on HRA]	14,763	15,474	711
Interest and Investment Income	-105	-105	0
[Surplus] / Deficit for the year on HRA services	0	0	0