

Cabinet

18 November 2020

Forecast of Revenue and Capital Outturn 2020/21 – Period to 30 September 2020 and Update on Progress towards achieving MTFP(10) savings

Ordinary Decision



Report of Corporate Management Team

John Hewitt, Corporate Director of Resources

Councillor Alan Napier, Portfolio Holder for Finance

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide Cabinet with information on the:
 - (a) Updated forecast revenue and capital outturn for 2020/21;
 - (b) Updated forecast for the council tax and business rates collection fund position at 31 March 2021;
 - (c) Updated forecast use of earmarked, cash limit and general reserves and estimated balances to be held at 31 March 2021.
- 2 To seek approval of the budget adjustments and proposed sums outside of the cash limit.
- 3 To provide Cabinet with an update on progress towards achieving MTFP(10) savings.

Executive summary

- 4 Since the outbreak of COVID-19, the council, partners and local communities have been working tirelessly to respond to the pandemic and to put steps in place for recovery. The financial implications of

COVID-19 are significant and complex which makes forecasting the council's outturn position even more challenging than usual. The financial position of the council will need to be monitored very closely over the coming months to ensure that steps can be taken to maintain spending within available budgets and to reallocate resources as required. For these reasons, the estimates set out in this report are subject to change as year end approaches and depending on the impact, extent and duration of local and national restrictions going forward.

- 5 It is forecast that service grouping budgets will overspend by £51.974 million. This overspend position arises from additional expenditure and loss of income associated with the COVID-19 outbreak.
- 6 The government has provided four tranches of funding for local authorities for additional costs incurred as a result of COVID-19. This funding is allocated based upon formulae and to date the council has received £45.6 million. Of this, £1.1 million was to cover costs incurred in 2019/20. This leaves funding available of £44.5 million to be applied in 2020/21.
- 7 The government has announced an 'Income Guarantee Scheme' to provide financial support for lost sales, fees and charges income. The details of the scheme were published on 23 August 2020. The scheme requires councils to bear the first 5% of any qualifying income loss after which the government will provide a grant for 75% of subsequent losses. A number of areas of income loss such as commercial income and rental income are not covered by the scheme. In addition, any underspends generated in the areas in question must be utilised to offset any lost income.
- 8 The council will be required to submit three returns for the Income Guarantee Scheme. The first return for the period to 31 July 2020 was submitted on 2 October 2020 for a total of £3.6 million. At this stage, the council has not received confirmation that this submission has been agreed. An initial estimate is that the council may be able to claim circa £6 million from the Income Guarantee Scheme, although this is subject to further work and the extent of the claims that are made and paid.
- 9 The government has also indicated that the financial impact of any Collection Fund deficits for council tax and business rates can be spread over three years. It is important to note that these deficits are not being funded by government and will form part of the council's taxbase calculation going forward – negatively impacting the funding the council receives from council tax and business rate income. At this stage, after netting off additional Section 31 grant for extended business rate reliefs, the council is forecasting its share of the in year Collection Fund deficit

at £3.9 million. This position could further deteriorate if the county experiences further job losses or business failure over the coming months and is being kept under close review, particularly as we enter the winter period and depending on the extent of local restrictions that are imposed.

- 10 After taking account of estimates of cost, lost income and additional government funding, it is forecast that the council will overspend by £0.901 million, representing 0.19% of the net expenditure budget of £466.237 million. This position is caveated at this stage because of the wide range of assumptions that have been made in relation to expenditure and income over the remainder of the financial year and the significant uncertainty that exists.
- 11 In terms of service grouping cash limits, the projected revenue outturn is a forecast cash limit underspend of £3.126 million (0.67%). The cash limit position excludes COVID-19 related issues which are considered to be outside of the control of budget managers.
- 12 In terms of sums outside the cash limit there is a forecast overspend of £4.027 million which is forecast to result in a reduction in the General Reserve from £23.9 million to £19.9 million. This position will be kept under careful review, especially in relation to the possibility of additional costs and loss of income linked to the ongoing impact of COVID-19.
- 13 Total earmarked and cash limit reserves (excluding school reserves) are forecast to reduce by £46.291 million in 2020/21, from £204.697 million to £158.406 million. This mainly results from the utilisation of £23.715 of the Office Accomodation Capital Reserve to fund the new council headquarters and the utilisation of the £17.5 million held in earmarked reserves in relation to Tranche 1 of the government COVID-19 Support Grant.
- 14 The updated projected capital outturn is £145.755 million.
- 15 The estimated outturn for the Council Tax Collection Fund is a deficit of £4.816 million after taking into account the in year position and deficit brought forward from 2019/20. Durham County Council's share of this forecasted deficit is £4.034 million.
- 16 The estimated outturn for the Business Rates Collection Fund is a deficit of £43.652 million after taking into account the in year position and the surplus brought forward from 2019/20. Durham County Council's share (49%) of this estimated deficit is £21.389 million, before accounting for the receipt of compensating Section 31 grant for extended business rate reliefs and discounts.

- 17 For MTFP(10), the council has delivered quarter two savings of £7.194 million which is 90% of the £8.010 million target. Since 2011, the council has delivered over £241 million in savings.

Recommendations

- 18 It is recommended that Cabinet:
- (a) note the council's overall financial position for 2020/21 and the uncertainty associated with the outturn forecast resulting from the impact of the COVID-19 outbreak as set out in the report;
 - (b) agree the proposed 'sums outside the cash limit' for approval;
 - (c) agree the revenue and capital budget adjustments;
 - (d) note the forecast use of earmarked reserves;
 - (e) note the forecast end of year position for the cash limit and general reserves;
 - (f) note the additional costs and income loss faced as a result of COVID-19 which is offset by additional grant funding provided by government;
 - (g) note the position on the capital programme and the Collection Funds in respect of Council Tax and Business Rates;
 - (h) note the amount of savings delivered during quarter two of the MTFP(10) period.

Background

- 19 In accordance with the council's constitution, Council agreed the Medium Term Financial Plan (MTFP), which incorporates the revenue and capital budgets for 2020/21, on 26 February 2020.
- 20 The constitution also states that the Chief Finance Officer must report to Cabinet on the overall council budget monitoring position on a quarterly basis.
- 21 This report provides an updated forecast of the revenue and capital outturn for 2020/21, based upon expenditure and income up to 30 September 2020. This is the second report on forecast financial performance against the 2020/21 budgets this financial year.
- 22 This report also provides an update on the delivery of MTFP(10) savings. The planned MTFP(10) savings were agreed by Council in February 2020 with a savings target of more than £8 million for 2020/21. This brings the overall savings target for the period from 2011/12 to 2020/21 to circa £241 million. Significant progress has been made towards achieving these savings.

Revenue Outturn Forecast – Based on Position to 30 September 2020

- 23 The following table compares the forecast of outturn with the revised budget. Further detail is provided in Appendices 2 and 3.
- 24 The following adjustments have been made to the original budget agreed by Council on 26 February 2020:
 - (a) agreed budget transfers between service groupings;
 - (b) additions to budget for items outside the cash limit (for Cabinet consideration and recommended approval);
 - (c) planned use of or contribution to earmarked reserves (please refer to Appendix 4).

Forecast of Revenue Outturn 2020/21

	Original Budget 2020/21	Revised Budget	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000	£'000
Adult and Health Services	129,627	126,927	128,188	141,827	13,639
Chief Executive's Office	1,823	1,842	1,984	2,068	84
Children and Young People's Services	123,877	126,846	129,504	136,114	6,610
Neighbourhoods and Climate Change	108,622	108,963	110,384	123,791	13,407
Regeneration, Economy and Growth	52,770	53,405	55,061	68,916	13,855
Resources	25,705	25,539	27,205	30,530	3,325
Cash Limit Position	442,424	443,522	452,326	503,246	50,920
Contingencies	8,155	8,228	1,853	1,853	0
Corporate Costs	4,498	4,408	3,847	4,901	1,054
NET COST OF SERVICES	455,077	456,158	458,026	510,000	51,974
Capital charges	-65,068	-65,068	-65,068	-65,068	0
Interest and Investment income	-2,900	-2,900	-2,900	-2,550	350
Interest payable and similar charges	36,614	36,709	60,188	60,188	0
Levies	15,991	15,991	15,991	15,996	5
Net Expenditure	439,714	440,890	466,237	518,566	52,329
Funded By:					
Council tax	-234,458	-234,458	-234,458	-234,458	0
Use of earmarked reserves	-7,700	-8,632	-33,905	-33,905	0
COVID-19 Support Grant tranche 1-use of earmarked reserves	0	0	0	-17,521	-17,521
COVID-19 Support Grant tranches 2 and 3	0	0	0	-19,524	-19,524
COVID-19 Support Grant tranche 4	0	0	0	-7,557	-7,557
COVID-19 Income Guarantee Grant	0	0	0	-6,000	-6,000
Estimated net surplus on Collection Fund	-1,740	-1,740	-1,740	-1,740	0
Business Rates	-56,083	-56,083	-56,083	-56,083	0
Top up grant	-72,780	-72,780	-72,780	-72,780	0
Revenue Support Grant	-28,070	-28,070	-28,070	-28,070	0
New Homes Bonus	-7,564	-7,564	-7,564	-7,564	0
Section 31 Grant	-11,713	-11,713	-11,713	-12,539	-826
Adult/Childrens Pressures Grant	-17,652	-17,652	-17,652	-17,652	0
Forecast contribution to/from (-) Cash Limit Reserve	-1,954	-2,198	-2,272	854	3,126
Forecast contribution to/from (-) General Reserves	0	0	0	-4,027	-4,027
TOTAL	0	0	0	0	0

- 25 The above table identifies a forecast overspend of £0.901 million which would contribute to a decrease in General and Cash Limit Reserves. The forecast cash limit underspend is £3.126 million (0.67%). The cash limit position excludes COVID-19 related costs and lost income.
- 26 The total net overspend of £0.901 million represents 0.19% of the net expenditure budget of £466.237 million. The forecast position at this stage necessarily includes a number of assumptions in relation to costs and lost income resulting from COVID-19. The council has forecast the receipt of £6 million in compensation for lost income through the Income Guarantee Scheme to assist with managing the financial position in 2020/21. This position will be reviewed throughout the year as future claims are made to government.

- 27 Before taking into account and Collection Fund carry forwards from 2019/20 the council is also forecasting an in year deficit on the Collection Fund of £3.902 million mainly as a result of the impact of the COVID-19 outbreak especially the increase in claims for Local Council Tax Reduction. The impact of COVID-19 upon the Collection Fund will be closely monitored throughout 2020/21 to determine the final outturn and also upon the base budget for 2021/22. The government has intimated that some flexibility may be provided to account for any Collection Fund deficits over the next three years.
- 28 The forecasts set out in this report could deteriorate if there are further local or national lockdowns or if the county experiences additional job losses and business failures. The position is uncertain and will become clearer as the furlough scheme is withdrawn and as businesses fully return to trading.
- 29 Approval is being sought for the following sums to be funded from general contingencies. These sums are deemed to be outside of service grouping cash limits.

Service Grouping	Proposal	Amount £ million
NCC	Set up costs of the Collaborative Waste Contract	0.500
TOTAL		0.500

- 30 After adjusting the budgets and reserves as detailed above, the forecast outturn for cash limit reserves and the general reserve are summarised in the following table.

Type of Reserve	Opening Balance as at 1 April 2020 £ million	Reallocation of former REAL and T&P Cash £ million	Budgeted use at 1 April 2020 £ million	Movement during 2020/21 £ million	2020/21 Forecast of Outturn £ million
Service Grouping Cash Limit					
Adult and Health Services	-8.354		1.867	-3.198	-9.685
Chief Executive's Office	0.000	-0.126		-0.049	-0.175
Children and Young People's Services	0.000			1.544	1.544
Neighbourhoods and Climate Change	0.000	-0.197		-0.001	-0.198
Regeneration, Economy and Growth	0.000	-0.164		-1.032	-1.196
Resources	-2.758	-0.113	0.087	-0.316	-3.100
Former Regeneration and Local Services	-0.329	0.329			
Former Transformation and Partnerships	-0.318	0.318			
Total Cash Limit Reserve	-11.759	0.047	1.954	-3.052	-12.810
General Reserve	-23.950	0.000	0.000	4.027	-19.923

- 31 The forecast cash limit and general reserves position is a prudent one given the significant financial uncertainties facing local government. The MTFP(11) update report to 14 October 2020 Cabinet highlighted ongoing budget concerns for the council with a forecast savings shortfall of £42 million over the 2021/22 to 2024/25 period. with the delivery of further savings becoming ever more challenging to achieve. In addition the ongoing impact of COVID-19 upon both the national finances and the councils budget are unknown at this point.
- 32 With this in mind there is a heightened risk that funding will be restricted for some public services in the future which could require the council to identify and deliver significant additional savings in future years.
- 33 The table above highlights that CYPS are forecast to have a deficit cash limit reserve of £1.544 million at the end of 2020/21. Consideration will need to be given at final outturn as to how this deficit cash limit reserve position is addressed.

COVID-19 Impact

- 34 The council has faced significant additional costs in relation to the outbreak and significant loss of income. In many areas the costs and loss of income for the second quarter are known. The likely impact over the remainder of the year however is much more uncertain due to the ongoing pandemic. The major areas of forecast additional cost and loss of income are as follows:
- (a) **Adult Social Care Provider Support £16.2 million** – it is forecast that during 2020/21 additional financial support of circa £16.2 million will have been paid to providers. This support includes a temporary 10% uplift in fees and targeted support being given to residential care homes where occupancy levels have dropped significantly.
 - (b) **PPE £2.0 million** – the council has purchased stocks of PPE for utilisation across a range of settings.
 - (c) **Waste Disposal and Refuse Collection £8.035 million** – a range of additional costs have been incurred such as increased waste tonnages, garden waste pick ups over weekends and on Mondays and the costs associated with reopening household waste recycling centres.
 - (d) **In house Highways and Buildings teams £4.0 million** – during late March, April and May teams were in lockdown and not generating income. In addition for a period after the teams restarted work in many areas the costs of materials have increased.

- (e) **AAP and Member Neighbourhood Budgets £3.1 million** – an additional £0.1 million has been provided to each AAP whilst Members are able to invest their Members Neighbourhood capital allocation on revenue.
 - (f) **Leisure Income £6.3 million** – the closure of facilities and the likely reduced income once reopened is expected to have a significant impact upon forecast income levels
 - (g) **Car Park Income £1 million** – the closure and reduced volume of traffic in town centres will reduce income levels.
 - (h) **Theatres £2.6 million** – there continues to be uncertainty as to when our theatres will reopen
 - (i) **Planning Fees and Building Control £0.6 million** – reduced volume of submissions during lockdown
 - (j) **Aycliffe Secure £1.4 million** – reduced income due to social distancing within the facility
 - (k) **Business Support Grants £3 million** – a package of support has been developed to support current businesses to enable them to stabilise and continue to grow
 - (l) **Free School Meals Support £1 million** - support via food vouchers has been provided for October half term and is expected to continue for the Christmas holiday period
- 35 The forecast position on COVID-19 costs and income losses will continue to be closely monitored.

Cash Limit Position

- 36 The reasons for the major variances against the revised budgets are detailed below. It is important to note that the cash limit positions exclude all COVID-19 related issues which are outside the control of budget managers.

Adult and Health Services (AHS)

- 37 The 2020/21 updated projected outturn for AHS is a cash limit underspend of £3.198 million, representing circa 2.5% of the total budget for AHS.
- 38 The projected outturn takes into account adjustments for sums outside the cash limit including redundancy costs which are met from the corporate reserve, capital accounting entries and use of / contributions to earmarked reserves. COVID-19 related expenditure and loss of income has also been excluded from the cash limit outturn.

- 39 The outturn is a managed position, reflecting the proactive management of activity by Heads of Service across AHS to remain within the cash limit. The outturn position is accounted for as follows:
- (a) Careful management and control of vacant posts and supplies and services budgets across the service together with uncommitted budgets, results in an estimated net under budget position for the year of £1.364 million;
 - (b) Net spend on adult care packages is £1.834 million under budget. This area of spend is being closely monitored to assess the impact of COVID-19 as well as ongoing demographic and procedural/operational changes, where significant MTFP savings have been taken over recent years. The underspends that have been generated as a result of reductions in occupancy of residential and nursing care homes due to COVID-19 have been reinvested in sustainability payments to providers pending a strategic review of the overall market planned over the coming months;
 - (c) Net expenditure on Public Health-related activity is in line with grant allocations.
- 40 In arriving at the forecast outturn position, the service has estimated £21.960 million of additional costs and lost income relating to COVID-19 and £5.123 million of COVID-19 related underspends. The net COVID-19 impact is £16.837 million which will be met corporately by utilising central government grants wherever possible.
- 41 In addition, a net £1.260 million relating to contributions to and from reserves and contingencies has been excluded from the cash limit outturn forecasts, details as follows:
- (a) Use of £0.173 million Adult Social Care reserve to fund temporary staffing arrangement;
 - (b) Use of 0.154 million Public Health reserves for Public Health projects;
 - (c) Use of £0.147 million of the corporate ER/VR reserve to fund redundancy payments.
 - (d) Use of £0.786 million from contingencies to fund the 2020/21 pay award
- 42 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 AHS is forecast to be £9.593 million.

Chief Executive's Office (CEO)

- 43 The forecast revenue outturn for 2020/21 is a cash limit underspend of £65,000 for the year after taking account of the forecast use of reserves and items outside the cash limit. This compares with a cash limit underspend at quarter one of £27,000.
- 44 The forecast underspend is a managed position, reflecting the proactive management of activity across the service to try and remain within the cash limit. The projected underspend is accounted as follows:
- (a) Communications and Marketing is forecast to be under budget by £30,000, primarily due to a managed underspend on employee costs of £4,000 and a forecast underspend on supplies and services of £26,000.
 - (b) Service Management is forecast to be under budget by £35,000, due to a managed underspend on employee costs amounting to £35,000.
- 45 In arriving at the forecast outturn position, a net £0.149 million of additional costs, and lost income relating to COVID-19 has been excluded from the outturn. COVID-19 related costs are being treated corporately and offset by Government funding so far as is possible.
- 46 In addition, circa £94,000 of costs relating to contributions to and from reserves and cash limits have been excluded from the outturn, details as follows:
- (a) £16,000 transfer from the Chief Executive's Office Cash Limit Reserve in respect of promotional campaigns linked to Adoption & Fostering;
 - (b) £78,000 transfer from the Marketing Integrated Care Reserve to fund a post and provide a budget for communications in respect of shared services with local NHS organisations;
- 47 Taking the projected outturn position into account, including items proposed to be treated as outside the cash limit and transfers from the Cash Limit to fund activity in the year, the total cash limit reserve forecasted to be carried forward for the service at 31 March 2021 is £0.175 million.

Children and Young People's Services (CYPS)

- 48 The updated forecast of outturn for CYPS is a cash limit overspend of £1.544 million in 2020/21, representing circa 1.23% of the total budget for the service. The cash limit overspend forecast at quarter one was £2.896 million.

- 49 The projection excludes forecast use of/ contributions to earmarked reserves and items outside the cash limit such as redundancy costs which are met from corporate reserves. COVID-19 related expenditure and loss of income have also been excluded from the cash limit outturn.
- 50 The updated position factors in forecast overspends within Education of £1.727 million and Children's Services of £4.883 million, with further details provided below:
- (a) Within the Education Service the forecast overspend of £1.727 million includes a £1.211 million forecast overspend on Home to School Transport, a forecasted shortfall in school and academy SLA income of £0.512 million, a £0.414 million shortfall on DCC Daycare nursery income, £0.265 million shortfall on Durham Leadership Centre lettings income, £0.199 million shortfall in Curriculum and Professional Development income, an £89,000 shortfall in recharges income, a £0.182 million underspend related to Pension Liability savings and £0.781 million staff related underspend related to the early achievement of 2021/22 savings.
 - (b) Children's Services (Children's Social Care and Early Help & Intervention) is forecast to be a net £4.883 million over budget for the year. The Service is forecasting an overspend of £ 5.861 million related to the forecast cost of looked after children's placements (which have increased to circa 940 children) offset by £0.978 million savings on external adoption fees.
 - (c) The direct financial impact of COVID-19 is estimated at £3.859 million, mainly related to a forecast shortfall in income from the sale of beds in the Aycliffe Secure Centre to other local authorities in the first few months of the new financial year and additional staffing and children's placement costs in Children's Social Care.
- 51 The pressure on the budget in children's social care has been evident for a number of years, as the number of children in the care system has increased significantly and their needs have continued to become more complex. There are now 940 looked after children, compared to an average of 877 in 2019/20. This budget was increased by £5.5 million in 2018/19 and by a further £6.5 million in 2019/20 to cover care costs, as well as additional costs for staffing in order to meet the expected challenges and pressures identified in 2019/20. The 2020/21 budget also includes an additional increase for placement costs of £3.417 million.

- 52 The 2020/21 budgets also include additional budget growth of £3.2 million to recognise the financial pressures being experienced in delivering home to school transport, which has seen costs increase by 54% over the last two years.
- 53 In arriving at the forecast outturn position, the service is declaring £6.624 million of additional costs, and lost income relating to COVID-19 and £1.558 million of COVID-19 related underspends. The net COVID-19 impact is therefore £5.066 million, and this will be covered corporately by utilising Central Government grants wherever possible.
- 54 The forecast cash limit outturn shows the position after a net £0.222 million use of reserves. Transfers to and from earmarked reserves, cash limits and contingencies have been applied to finance the following items:
- (a) £71,000 use of Tackling Troubled Families Reserve linked to temporary posts in the current financial year
 - (b) £58,000 use of Extended Personal Advisor Reserve to cover the costs of temporary posts in the current financial year
 - (c) £0.114 million use of Emotional Well Being Reserve to fund a forecast shortfall in income in the current financial year.
 - (d) £0.365 million contribution to the Secure Services Reserve from anticipated surplus income in the last quarter of the current financial year.
 - (e) £0.185 million use of Durham Music Service reserve to fund a forecast shortfall in income in the current financial year.
 - (f) £0.100 million use of Neighbourhoods and Climate Change reserve for Durham Enable
 - (g) £59,000 use of Early Years Sustainability reserve linked to Early Years Professional Development Programme spend.
- 55 In 2019/20, £6.217 million was transferred from general reserves to the CYPS cash limit reserve to prevent the service having a deficit reserve balance carried forward at 31 March 2020 and to balance the CYPS cash limit reserve to zero. Taking the forecast outturn position into account, there is a forecast £1.544 million deficit cash limit position at year end. Consideration will need to be given at final outturn as to how to address this issue.

Neighbourhoods and Climate Change (NCC)

- 56 The forecast revenue outturn for 2020/21, based on the position to 30 September 2020, is a cash limit break-even position, which compares

with the position forecast at quarter one of a cash limit underspend of £0.531 million.

- 57 The change in the position from quarter one is due to increased costs for Household Waste Recycling Centres, which has eradicated the circa £0.500 million underspend that was previously forecast in this service area.
- 58 The updated forecast takes into account the forecast use of earmarked reserves and excludes items treated as outside the cash limit, including COVID-19 related expenditure and loss of income
- 59 The main reasons accounting for the cash limit outturn position are as follows:
- (a) Environmental Services is forecast to overspend by £75,000. There are overspends relating to pay re-grading for Refuse Collection drivers of £0.206 million and Neighbourhood Wardens of £0.188 million, along with unachieved MTFP savings within Fleet of £0.166 million and in Clean & Green of £73,000. Income at the Joint Stocks site has underachieved by £0.330 million for power generation and £53,000 for soil importation. These overspends have however largely been offset by a combination of increased income from Garden Waste signups (£0.131 million), an underspend on power generation equipment maintenance (£0.106 million), underspends due to vacant posts (£0.163 million), £63,000 in additional SLA income, savings due to delays in implementing the two new refuse collection (£0.330 million), and delays in appointing the new Neighbourhood Wardens (£0.148 million). The service received full year budget growth in 2020/21 for the new refuse rounds and the additional Neighbourhood Wardens, meaning that the delays in implementation are producing one-off underspends in the current year.
 - (b) Technical Services is forecast to overspend by £0.202 million. There are employee vacancy savings of £0.293 million, along with additional income of £67,000 relating to permit income and other fees and charges in Strategic Highways. There is also a £0.123 million underspend due to savings on electricity charges. These savings are partially offset however by a predicted overspend in winter maintenance costs of £0.420 million after fully utilising the remaining winter maintenance reserve, and overspends of £0.265million on agency costs relating to condition surveys, contractor costs and rechargeable works.
 - (c) Partnerships & Community Engagement is forecast to underspend by £77,000. This is mainly due to a managed underspend in

Supplies and Services, that will be utilised in 2021/22 for a delayed MTFP saving.

- (d) Within Consumer Protection there are a number of vacant posts that are producing an underspend of £0.243 million, but these are partially offset by £78,000 under achieved licensing income.
- 60 In arriving at the cash limit position, COVID-19 related expenditure and lost income of £13.513 million, offset by COVID-19 related savings of £105,000 have been excluded from the forecasts. COVID-19 related costs are being treated corporately and offset by Government funding so far as is possible, though forecast net costs currently exceed the grant that has been made available.
- 61 In addition, £0.227 million relating to contributions to and from reserves and contingencies has been factored into the outturn. The major items being:
- (a) 0.104 million net contribution to reserves relating to Clean & Green, Community Protection and Environmental Management;
 - (b) £0.500 million drawdown from Corporate Contingencies to fund set up costs for the Teesside Waste Project; and
 - (c) £0.169 million contribution to reserves relating to Area Action Partnerships.
- 62 Taking the projected outturn position into account and planned use of the cash limit reserve in year, the forecasted cash limit reserve to be carried forward for Neighbourhoods & Climate Change is £0.198 million.

Regeneration, Economy and Growth (REG)

- 63 The updated forecast revenue outturn for 2020/21, based on the position to 30 September 2020, is a cash limit underspend of £1.032 million, which compares with the forecast at quarter one of a cash limit underspend of £0.617 million.
- 64 The updated forecasts take into account the forecast use of / contributions to earmarked reserves and items outside the cash limit such as redundancy costs which are met from corporate reserves. COVID-19 related expenditure and loss of income has also been excluded from the cash limit outturn.
- 65 The forecast outturn is a managed position, reflecting the proactive management of activity across REG to remain within the cash limit. The main reasons accounting for the outturn position are as follows:

- (a) Culture & Sport is forecast to be overspent by £0.139 million. This is mainly the result of an overspend of £0.391 million relating to the former Leisureworks facilities that were brought inhouse. This overspend is partially offset by other underspends across the service of approximately £0.252 million in relation to employee costs in Wellbeing of £0.112 million, within Leisure Centres of £70,000, Libraries of £74,000 and from the partial closure of Bishop Auckland Town Hall of £77,000. There are also a number of other minor overspends across the service. To ensure the development of Beamish Museum can be completed the council has been approached to contribute a one-off sum of £1.5 million to the project in 2020/21. It was hoped that all constituent authorities would contribute to this request, but that has not been the case. In 2020/21 a one off £10 million invest to save budget was included in Culture and Sport and it is not anticipated that this budget will be fully utilised, which will enable the £1.5 million to be financed from that budget provision.
- (b) Business Durham is forecast to be £0.397 million underspent. This is mainly as a result of underspending within Business Space, which has an underspend of £0.636 million due to the service achieving higher than budgeted levels of income and savings in Corporate employee costs (£97,000), offset mainly by an overspend in Operations (£0.307 million) and Innovation and Marketing (£29,000). An additional sum of £3 million has been included in the forecast spend in respect of grant support for businesses. The funding for this work is included in the £20.035 million additional costs, and lost income relating to COVID-19.
- (c) Transport and Contracted services is forecast to be £0.063 million overspent. This is mainly due to overspends in Sustainable Transport of £18,000, Traffic of £0.149 million and in Care Connect of £11,000, offset by savings being achieved from the vacant Head of Transport post and other minor variances across the service.
- (d) Development and Housing is forecast to be underspent by £0.226 million. This is mainly due to underspends in Housing Solutions of £0.239 million and in Planning Development of £0.112 million, offset by a projected overspend in Economic Development of £0.056 million. There were also a number of other minor overspends across the service.
- (e) Corporate Property and Land is forecast to be £0.491 million underspent, mainly resulting from an underspend of £0.174 million relating to an insurance claim, unbudgeted rental income of £0.131 million, business rate refunds of £62,000 relating to the previous financial year and underspends on utilities across administrative

buildings of £0.124 million. Building Services construction and repairs / maintenance teams are currently forecasting a break-even position. An additional £1.5 million has been included in the forecast outturn in respect additional repairs and maintenance works to the year end.

- 66 In arriving at the forecast outturn position, the service is declaring £20.035 million of additional costs and lost income relating to COVID-19 and £5.148 million of COVID-19 related underspends. The net COVID-19 impact is therefore £14.887 million, and this will be covered corporately by utilising Central Government grants wherever possible.
- 67 In arriving at the forecast outturn position, a net £0.578 million relating to use of / contributions to earmarked reserves and cash limits has been excluded from the outturn. The major items being:
- (a) £0.491 million use of reserves by Development and Housing for costs relating to Karbon Homes and Bishop Auckland and Peterlee development costs (£0.406 million), and Milburngate development professional costs (£0.131 million) offset by a transfer to the Employability reserve following the revised projection of spending plans for the year;
 - (b) £44,000 net contribution to reserves in respect of Culture and Sport for an in-year underspend of £48,000 on BRASS (as agreed with the Arts Council), offset by a drawdown of £4,000 for Community Arts;
 - (c) £75,000 use of reserves relating to Transport and Contracted Services relating to provision of the ACTIF service funded by AHS;
 - (d) £56,000 use of reserves relating to Corporate Property and Land for the provision of specialist technical support for the new headquarters.
- 68 Taking the projected outturn position into account, the forecasted cash limit reserve to be carried forward for Regeneration, Economy and Growth is £1.196 million.

Resources

- 69 The 2020/21 forecast revenue outturn for Resources is a cash limit underspend of £0.374 million after taking account of the forecast use of/ contributions to earmarked reserves and items outside the cash limit such as redundancy costs which are met from corporate reserves. COVID-19 related expenditure and loss of income has also been excluded from the cash limit outturn. The cash limit underspend at quarter one was £0.960 million.

70 The forecast underspend is a managed position, reflecting the proactive management of activity across the service to try and remain within the cash limit. The projected under budget position is the net effect of the following items:

- (a) Corporate Finance and Commercial Services is forecast to be over budget by £25,000, with managed overspending in Procurement of £14,000 and a managed overspend in Occupational Health of £65,000 offset by a forecast underspend in Health and Safety of £47,000 and Financial systems of £8,000 and a number of other minor variances in this service area.
- (b) Finance and Transactional Services is forecast to be under budget by £0.499 million, primarily due to managed underspends on employee costs of £0.333 million, additional income of £0.352 million linked to additional government grant offset by additional spending on supplies and services of £27,000 in Revenues and Benefits. There are also a number of other minor variances in this service area. Payroll and Employee Services is forecasting to be over budget by £0.124 million mainly due to unachievable income of £31,000 and additional spending on supplies and services costs of £0.112 million, offset by a managed underspend on employees costs of £19,000. Financial Management is forecasting to be over budget by £35,000 mainly due to a managed overspend on employee costs offset by £3,000 additional income.
- (c) Digital and Customer Services is forecast to be over budget by £0.202 million. Within this area underachievement of income is forecast to be £0.344 million, but this is offset by forecast managed underspends on supplies and services of £0.328 million and employee costs of £0.136 million. In quarter two provision has been made for Direct Revenue Funding of three ICT capital projects to the value of £0.300 million. There are also a number of other minor variances in this service area.
- (d) Internal Audit, Risk and Corporate Fraud is forecast to be under budget by £61,000, comprising of a managed underspend of £10,000 on employee related expenditure, a £13,000 overspend on supplies and services offset by £64,000 of additional income.
- (e) Legal and Democratic Services is forecast to be under budget by £5,000. This includes a £30,000 managed overspend on employee related expenditure and £33,000 overspend on supplies and services. These overspends have been offset by a forecast underspend of £16,000 on premises related costs and £52,000 of additional income.

- (f) People and Talent Management is forecast to be under budget by £20,000, which includes a £88,000 managed underspend on employee related expenditure and an £80,000 overspend on supplies and services. The service is also forecasting an overachievement of income of £12,000.
- (g) Strategy is forecast to be over budget by £18,000, primarily due to a managed overspend on employee related costs of £28,000, which has been partially offset by a forecast underspend of £10,000 on supplies and services.
- (h) Transformation is forecast to be under budget by £34,000, primarily due to a managed underspend on employee costs of £35,000 and a small overspend on supplies and services costs of £1,000.
- (i) There are no material variances in Service Management.

71 In arriving at the forecast outturn position, the service is declaring £4.305 million of additional costs, and lost income relating to COVID-19 and £0.606 million of COVID-19 related underspends. The net COVID-19 impact is therefore £3.699 million, and this will be covered corporately by utilising Central Government grants wherever possible.

72 The forecast cash limit outturn shows the position after a net £9,000 of contributions to / from reserves, cash limits and contingencies have been applied to finance the following items:

- (a) £38,000 transfer from the Corporate Commercialisation Reserve in respect of legal costs relating to Station Place;
- (b) £6,000 transfer from Corporate Insurance Reserve in respect of Insurance Market Review;
- (c) £52,000 transfer from the Revenues and Benefits Reserve to fund a temporary post;
- (d) £0.248 million transfer to the Welfare Reforms New Burdens Grant Reserve to fund activities and projects governed by the Poverty Action Steering Group;
- (e) £59,000 transfer from the Microsoft Office 365 Reserve to fund the implementation of new office software;
- (f) £26,000 transfer from the Corporate Procurement Reserve which will be used to finance various procurement initiatives in year;

- (g) £58,000 transfer from the Resources Cash Limit Reserve to fund support and advice on the use of Business Intelligence in pursuit of an MTFP saving;
- 73 Taking the outturn position into account, including items outside the cash limit and transfers to and from earmarked reserves, the cash limit reserve to be carried forward for Resources is forecast to be £2.948 million.

Corporate Costs

- 74 The forecast revenue outturn for 2020/21 for Resources – Centrally Administered Costs is a cash limit underspend of £0.196 million. This takes into account adjustments for sums outside the cash limit such as the use of/ contribution to earmarked reserves.
- 75 In arriving at the forecast outturn position, additional costs and lost income related to COVID-19 total £1.250 million. The net COVID-19 impact is therefore £1.250 million, and will be covered corporately by utilising Central Government grants wherever possible.
- 76 The forecast outturn position reflects reduced expenditure on bank charges of £10,000, payment card fees of £60,000, corporate subscriptions of £21,000, expenses associated with raising loans of £42,000 and legal expenses of £27,000. In addition, there is a projected overachievement of income from de-minimis capital receipts of £33,000 arising from the sale of assets. There are also a few other minor variances in this service area.
- 77 An additional sum of £1 million has been included in the forecast spend in respect of expenditure on providing food vouchers during October and Christmas school holidays for families whose children qualify for free school meals. The funding for this work is included in the £1.250 million additional costs, and lost income relating to COVID-19 shown above.

Central Budgets

Interest Payable and Similar Charges - Capital Financing

- 78 There is a budget of £60.188 million for these costs - an increase of £23.479 million from the £36.709 million at quarter one, to reflect the planned use of the Office Accommodation Capital Reserve to fund the new council headquarters. The forecast outturn position is expected to be in line with the budget.

Interest and Investment Income

- 79 The forecast income of £2.550 million is £0.350 million less than the £2.900 million budget. The forecast shortfall reflects reduced investment returns as interest rates achievable on short term investments have reduced significantly. This economic downturn is also reflected in lower than expected income from dividends.

Council Earmarked Reserves Forecast

- 80 Earmarked reserves are funds set aside for specific, known or predicted future expenditure. Appendix 4 details the council and school earmarked reserves showing the opening balance at 1 April 2020, the forecast movement on reserves during the year and the forecast closing balance as at 31 March 2021.
- 81 A summary of the latest forecast of council reserves (excluding school reserves) is shown below. The summary highlights that the total earmarked and cash limit reserves are forecast to reduce by £46.291 million in 2020/21, from £204.697 million to £158.406 million mainly resulting from the utilisation of £17.5 million held in earmarked reserves from Tranche 1 of the COVID-19 Support Grant received in 2019/20 and utilisation of £23.715 million of the Office Accommodation Capital Reserve to fund the new council headquarters. The movement in earmarked reserves is explained in the service grouping commentaries. This utilisation is to be expected as these funds are applied to the expenditure for which they were earmarked.

	Earmarked £ million	Cash Limit £ million	Total £ million
Opening Earmarked Balances as at 1 April 2020	-192.938	-11.759	-204.697
Adjusted for increase (-) / use of Earmarked Reserves	47.098	-0.807	46.291
Earmarked Reserve Balances as at 31 March 2021	-145.840	-12.566	-158.406

Dedicated Schools Grant and Schools

- 82 The council currently maintains 213 schools, including nursery, primary, secondary, special schools and a single Alternative Provision (AP) school. The one AP school is for pupils who have been permanently excluded from other schools, or who are at risk of permanent exclusion.
- 83 The current budget for 2020/21 for these 213 maintained schools is £292 million, funded by income of £73 million, formula funding budget shares of £210 million (from central government funding), and a

budgeted £9 million use of accumulated schools' balances. The table below summarises the schools' initial budgets.

	Nursery (£ million)	Alternative Provision (£ million)	Primary (£ million)	Secondary (£ million)	Special (£ million)	Original Annual Budget (£ million)
Employees	4.459	3.387	161.229	37.436	25.839	232.349
Premises	0.273	0.169	9.993	2.753	1.077	14.265
Transport	0.002	0.843	0.426	0.620	0.297	2.188
Supplies and Services	0.515	2.051	31.078	7.166	2.838	43.648
Income	(3.859)	(0.673)	(48.969)	(14.939)	(4.919)	(73.360)
Net expenditure	1.389	5.776	153.758	33.035	25.133	219.091
Budget share	(1.064)	(5.776)	(148.032)	(32.301)	(22.848)	(210.021)
Contribution to/from reserves	(0.325)	-	(5.726)	(0.734)	(2.285)	(9.070)
Balance at 31 Mar 20	0.937	-	18.163	(3.826)	2.772	18.046
Balance at 31 Mar 21	0.612	-	12.437	(4.560)	0.487	8.976

84 Historically, school budget plans overstate the use of reserves, usually by a considerable amount. The council's forecast for the use of reserves is that only £3.0 million of reserves will be used. The table below summarises the council's forecast.

	Nursery (£ million)	Alternative Provision (£ million)	Primary (£ million)	Secondary (£ million)	Special (£ million)	Original Annual Budget (£ million)
Employees	4.434	3.333	158.910	36.461	24.178	227.316
Premises	0.286	0.199	10.187	2.759	1.064	14.495
Transport	0.002	0.706	0.367	0.531	0.264	1.870
Supplies and Services	0.496	1.589	28.160	6.663	2.682	39.590
Income	(3.850)	(0.293)	(45.428)	(16.243)	(4.270)	(70.083)
Net expenditure	1.368	5.533	152.196	30.171	23.919	213.186
Budget share	(1.064)	(5.776)	(148.156)	(32.325)	(22.848)	(210.169)
Contribution to/from reserves	(0.304)	0.243	(4.040)	2.154	(1.071)	(3.017)
Balance at 31 Mar 20	0.937	-	18.163	(3.826)	2.772	18.046
Balance at 31 Mar 21	0.633	0.243	14.123	(1.671)	1.701	15.029

85 The council's forecast takes account of past experience and current information the most up to date information from ledgers. This year's outturn is likely to be affected by the effect of the COVID-19 lockdown on income and expenditure, and changes to ways of working when schools return in the autumn. Accordingly, there uncertainty about the final outturn. Schools can claim funding for exceptional lockdown costs, but the categories are tightly defined and there are likely to be significant net costs that cannot be claimed. Schools will not be able to claim for additional costs arising from new ways of working; these costs

might include additional cleaning, hand sanitizers and signage (for information, one-way systems etc.).

- 86 The School Finance Team will conduct autumn budget reviews with each school, to help schools determine the steps they need to take if they if they need to make savings to balance their budgets in the coming financial year (2021/22).
- 87 With the exception of eight schools, all schools prepared budget plans that could be delivered within available funding. The council’s S.151 officer gave approval to eight schools to set deficit budgets where planned expenditure during 2020/21 would result in a deficit balance at 31 March 2021 (known as a licensed deficit). These are summarised in the table below.

School Name	Phase	Type	Balance at 31 March 2020 (£ million)	Planned in-year use of reserves (£ million)	Licensed deficit (£ million)
Bluebell Meadow	Primary	Community	(0.078)	(0.141)	(0.219)
Ferryhill Station	Primary	Community	(0.023)	(0.009)	(0.032)
St. Thomas More RC	Primary	Aided – RC	(0.025)	(0.078)	(0.103)
Wolsingham	Secondary	Community	(1.709)	(0.112)	(1.821)
Wellfield	Secondary	Community	(3.406)	0.222	(3.184)
St. Bede's RC, Peterlee	Secondary	Aided - RC	(1.400)	(0.210)	(1.609)
The Durham Federation	Secondary	Community	(0.414)	(0.191)	(0.605)
Windlestone	Special	Community	0.326	(0.628)	(0.302)

- 88 Bluebell Meadow and Wolsingham, have now converted to academies and St Bede’s RC is expected to convert on 1 December this year. For these schools the licensed deficits shown in the table are to the point of conversion only.

Dedicated Schools Grant Centrally Retained block

- 89 The quarter two financial forecasts for the centrally retained DSG budgets show an overspend of £1.994 million against a total budget of £61.766 million to year end, which represents a 3% overspend.

DSG Block	Budget £ million	Outturn £ million	Over / (Under) Spend £ million
Schools de-delegated	0.562	0.665	0.103
High Needs	27.006	28.983	1.977
Early Years	31.489	31.403	(0.086)
Central Schools Services	2.709	2.709	0
Total	61.766	63.760	1.994

- 90 The forecast overspend position relates to spending against the High Needs Block (HNB), which is forecast to overspend by £1.977 million.
- 91 There has been a significant increase in requests for top up funding across all education phases and the data relating to support plans beginning in September 2020 has been reflected in the SEND management system system. The forecast is based on this data.
- 92 It is difficult to project the future pattern of expenditure for top up funding following the impact of COVID-19, but there is potential for a further spike in requests for top up funding now most pupils have returned to schools. It is estimated this could increase costs by a further £0.500 million across the rest of this year, although this is not included in the forecast position at this stage.
- 93 There is a forecast underspend for placements for post-16 students across the FE and Independent sector. Expenditure in this area has increased from the previous year but at a lower rate than anticipated in the budgetplanning.
- 94 All areas of HNB expenditure will be kept under close review in light of COVID-19 issues, with particular attention on the impact of schools returning where it is possible we will see an upward trend in the volume of requests for additional support for high needs pupils.
- 95 The impact of the current forecast on the DSG reserves position is shown in the following table:

DSG Reserves	High Needs Block £ million	Early Years Block £ million	Schools Block £ million	Total DSG £ million
Balance as at 1 April 2019	(2.728)	1.370	1.009	(0.348)
Use [-] / Contribution [+] in 2019/20	(8.598)	(0.095)	(0.365)	(9.058)
Contribution from general reserves	5.600	0	0	5.600
Balance as at 1 April 2020	(5.726)	1.275	0.644	(3.806)
Early Years adjustment 2019/20	0	0.097	0	0.097
Forecast Use [-] / Contribution [+] in 2020/21	(1.977)	0.086	(0.103)	(1.994)
Forecast balance as at 31 March 2021	(7.703)	1.458	0.541	(5.703)

- 96 The overall DSG reserve was in deficit of £3.806 million at the start of the financial year as a result of the accumulated deficit position in relation to the high needs block and the deficit is set to increase further this year.
- 97 A five-year plan for high needs block funding and expenditure, including recovery of the accumulated deficit by the end of the five-year period, was approved by Cabinet in January 2020. An updated version of the plan was reported to Cabinet in July 2020.
- 98 Following a funding announcement from Government on 20 July 2020, further information is now available about HNB funding levels in 2021/22. The provisional position for Durham is better than forecast in the previous version of the five-year plan and the process of updating the plan to reflect this change, as well as the revised forecast outturn position for 20/21, is underway.

Capital

Background

- 99 The 2020/21 original budget of £168.856 million was revised in June by amendments supported by the council's Member Officer Working Group (MOWG). The revised budget of £155.780 million was approved by Cabinet on 16 September 2020 in the Quarter 1 Forecast of Revenue and Capital Outturn 2020/21. Details of the original and revised budget are shown in the following table.
- 100 The council's Member Officer Working Group (MOWG) that closely monitors the capital programme has since considered further revisions to the capital programme, taking into account additional resources received by the authority and further requests for reprofiling as Service Management Teams continue to monitor and review their capital schemes.

Current Position

101 The following table summarises the latest capital budget for approval alongside the original budget. The table also shows the actual capital spend as at 30 September 2020.

Service Grouping	Original Budget 2020/21	Revised Budget 2020/21 Quarter 1	Amendments recommended by MOWG	Revised Budget 2020/21 Quarter 2	Actual Spend to 30 September 2020
	£ million	£ million	£ million	£ million	£ million
Adult and Health Services	0.000	0.000	0.000	0.000	0.000
Children and Young People's Services	31.945	28.062	-2.217	25.845	5.864
Neighbourhoods and Climate Change	43.270	44.632	-4.538	40.094	7.322
Regeneration, Economy and Growth	85.435	75.080	-1.061	74.019	22.627
Resources	8.206	8.006	-2.209	5.797	1.527
TOTAL	168.856	155.780	-10.025	145.755	37.339

102 Since the original 2020/21 budget was agreed, MOWG has considered a number of variations to the capital programme which are a result of additions and reductions in resources received by the council and reprofiling of budgets over future years. The variations of note are as follows:

Additions and Reductions

(a) **CYPS** – the service has received the following additional funding:

(i) **Children's Services – Planning & Service Strategy** – £0.305 million for the Review of the Social Services Information Database (SSID) funded from direct revenue funding.

(ii) **School Related** – Additional Schools Capital grant of £2.237 million from the DfE

(b) **NCC** – the service has received notice of additional funding as follows:

- (i) **Members Neighbourhood Fund** - £14,245 budget increase funded from the Members Neighbourhood Revenue Reserve.
 - (ii) **AAP Capital Budget** - £86,971 increase funded from the AAP Revenue Reserve
- (c) **REG** – the service has the following additions and reductions:
- (i) **Development and Housing** – Disabled Facilities grant of £1.440 million from the Better Care Fund. Grant of £0.570 million from Triple Point for the Seaham Garden Village Minewater Heating scheme. £0.574 million for the development of Aykley Heads Plot C to be financed from capital contingencies and £23,407 S106 funding for Bishop Auckland HAZ – Town Centre Projects. A reduction of £0.600 million Homes England grant for the Homelessness Buy to Lease scheme.
 - (ii) **Business Durham** – £0.420 million for a lease purchase at Netpark, to be financed from capital contingencies.
 - (iii) **Culture and Sport** - £0.167 million for Shildon Stadium Improvements, financed by £0.100 million grant from Sport England and £67,000 from earmarked reserves. A contribution of £50,000 has been received from Durham University for the Millennium Place Cultural Hub scheme.
 - (iv) **Transport and Contracted Services -Transforming Cities** Funding has been received for the following:
 - £3.613 million for Durham Bus Station and North Road Redevelopment with £0.431 million being profiled in 2020/21. This replaced the current funding enabling a transfer back to capital contingencies.
 - £1.671 million for Durham Milburngate Footbridge and Pedestrian Improvements replaced current funding and enabled a transfer back to capital contingencies with £0.273 million being profiled in 2020/21.
 - £2.295 million for Stonebridge Park and Ride (£0.795 million in 2021/22 and £1.5 million in 2022/23),
 - £1.757 million for Walking and Cycling Corridors (£1.525 million in 2021/22 and £0.232 million in 2022/23)
 - Bus Priority Measures (£20,000 in 2020/21 and £0.178 million in 2021/22).

The budget for the Sherburn Road Retail Link Road scheme has been increased by £0.392 million, financed from

£79,239 TCF grant and £0.313 million S106 contributions. A HIF grant of £5.571 million has been awarded to the council for the A19/A1018 Seaton Lane Junction scheme with £0.200 million being profiled in 2020/21. The budget has been increased by £1.820 million for the A1(M) Junction 61 Capacity Enhancements scheme, to be financed from capital contingencies. £0.357 million NECA grant for Walking and Cycling projects has been added to the 2020/21 budget. The Jade Business Park Infrastructure budget was reduced by £0.500 million following a review of the budgets for schemes at Jade Business Park.

- (d) **Resources** - £0.125 million for Pulse VPN and £0.127 million for the Application Delivery System from capital contingencies, to replenish budgets previously given up.

103 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 in 2020/21:

- (a) **CYPS** – £4.792 million has been re-profiled from 2020/21 into 2021/22. £1.000 million of this amount relates to the Schools Capital Grant unprogrammed budget where additional grant has been received in 2020/21. Other significant amounts include £1.265 million for the New Build Primary in Bowburn, £0.370 million and £0.200 million for window replacement projects at Kelloe Primary and Durham Sixth Form respectively and £0.275 for a rewire project at St Anne's CE Primary.
- (b) **NCC** - £4.627 million has been re-profiled from 2020/21 into 2021/22 and 2022/23. This includes £1.122 million for the Chester-le-Street Deculverting scheme, £0.698 million for Morrison Busty Vehicle Workshop Refurbishment, £0.883 million for Durham City Conservation works at North and South Bailey and Claypath, £0.300 million of the Street Lighting unprogrammed budget, £0.252 million for Great Lumley Community Centre, £0.227 million for Bearpark Community Centre and £0.201 million for Middleton-in-Teesdale Village Hall.
- (c) **REG** - £5.995 million (net) has been re-profiled from 2020/21 across the period from 2021/22 to 2023/24. Re-profiling from 2020/21 into 2021/22 includes £0.878 million for DMA Redhills Building Refurbishment, £0.421 million for Meadowfield Depot Strategic Site, £0.370 million of the Demolition Programme unprogrammed budget, £0.350 million for Housing Development Self Build, £0.310 million for Bishop Auckland Kingsway Car Park and £0.300 million for Durham Bus Station and North Road Development. Leisure Transformation budget of £0.872 million

has been re-profiled from 2020/21 into 2022/23 due to delays on commissioning design work. £0.250 million of the Transforming Cities unprogrammed budget from 2020/21 has been re-profiled into 2022/23 and £1.109 million of the budget for the New Exhibition Building at Locomotion has been re-profiled across 2021/22 and 2022/23 due to delays on the land transaction.

- (d) **Resources** - £2.833 million has been re-profiled from 2020/21 into 2021/22, and £0.433 million from 2021/22 into 2020/21. Significant amounts to be re-profiled from 2020/21 into 2021/22 include £0.595 million for Digital Durham schemes, £0.688 million for the Office Accommodation project, £0.666 million for the Customer Relation Management System and £0.200 million for End User Equipment Replacement. £0.533 million of the Durham History Centre budget has been re-profiled from 2020/21 to 2021/22 due to a delay in the projected construction start date of the project. Budgets of £0.300 million for Hosted Environment Computing and Storage and £0.133 million for the Application Delivery System have been re-profiled from 2021/22 to 2020/21 in line with expected project delivery.

Capital Financing

104 The following table summarises the recommended financing of the revised capital programme:

Financed By:	Original Budget 2020/21	Revised Budget 2020/21 Quarter 1	Amendments recommended by MOWG	Revised Budget 2020/21 Quarter 2
	£ million	£ million	£ million	£ million
Grants and Contributions	44.010	41.923	3.434	45.357
Revenue and Reserves	36.321	37.827	-0.483	37.344
Capital Receipts	11.325	5.803	2.063	7.866
Borrowing	77.200	70.227	-15.038	55.189
TOTAL	168.856	155.780	-10.025	145.755

Council Tax and Business Rates Collection Funds

Council Tax

105 Council Tax is charged for all residential dwellings in bandings agreed by the Valuation Office Agency, 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.

- 106 The collection rate at 30 September 2020 was 53.94%, which is 2.02% points below the same position in 2019/20, reflecting the impact of COVID-19, and a cessation of any recovery action for unpaid Council Tax. Many households have been severely impacted by the pandemic, with the council experiencing a 4% increase in claims for Council Tax Reduction (CTR) in quarter one, followed by a steady reduction in claims across quarter two as the national lockdown came to an end, though there are significant concerns that this trend will be reversed in quarter three and the furlough scheme comes to an end and local lockdown restrictions have an impact on employment. In total, 6,000 residents have chosen to defer their Council Tax payments until later in the year and the council is providing support to those impacted by COVID-19 through Hardship payments of up to £300 for those in receipt of council tax support, with nearly 16,000 payments totalling £3.262 million having been awarded to date. Formal recovery action remains suspended at this stage and will not be reinstated before 1 January 2021, with residents in arrears being given information on other support available. In quarter three the collections team will also be proactively calling residents in arrears who have not yet engaged following the receipt of this information to discuss their situation and see what further help and assistance we can give them.
- 107 The in-year collection rates at the end of quarter two for the current and last two financial years, are detailed below:

Billing Year	Position at 30 September Each Year %
2020/21	53.94
2019/20	55.96
2018/19	56.23

- 108 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 calculated each year by reference to the actual council tax base for all domestic properties in the county (schedule of all properties, discounts and reliefs) with an allowance for non-collection.
- 109 Actual cash collected as at 30 September 2020 was £156.240 million compared with £160.743 million as at 30 September 2019, however, when the Council Tax increases for 2020/21 are factored in this

represents a year on year real terms reduction of £12.480 million in terms of Council Tax income received.

- 110 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 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.
- 111 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 Crime and Victim's Commissioner and County Durham and Darlington Fire and Rescue Authority.
- 112 At 30 September 2020, the estimated in year outturn for the Council Tax Collection Fund is a deficit of £3.962 million as shown in the table below. The council's share of the in year deficit is £3.319 million which is caused in the main by the impact of COVID-19. The forecast position after taking into account the undeclared deficit as at 31 March 2020 of £0.854 million is a total deficit of £4.816 million. Durham County Council's share of this forecasted deficit is £4.034 million.

	£ million
Net Bills issued during Accounting Year 2020/21	354.930
LCTRS and previous years CTB adjustments	-61.096
Calculated change in provision for bad debts required and write offs	-4.241
Net income receivable (a)	289.593
Precepts and Demands	
Durham County Council	234.458
Parish and Town Councils	13.637
Durham Police Crime and Victim's Commissioner	30.509
County Durham and Darlington Fire and Rescue Authority	14.951
Total Precepts and Demands (b)	293.555
Net Surplus / (-) Deficit for year (a) – (b)	-3.962
Undeclared Surplus / (-) Deficit brought forward from 2019/20	-0.854
Estimated year end deficit	-4.816

- 113 Prior to 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.
- 114 The council is required to determine and declare the forecast surplus or deficit on the Council Tax Collection Fund for 2021/22 by 15 January 2021. Normally, this would then be taken into account in the budget setting process for the following year, with any difference between this and the actual surplus at 31 March 2021 being carried forward to the next financial year and taken into account in estimating the surplus/deficit position for that year.
- 115 In July 2020 the government announced that they are proposing that repayments to meet any collection fund deficits accrued in 2020/21 will instead be phased over a three-year period (2021/22 to 2023/24) to ease immediate pressures on budgets. MHCLG will work with CIPFA and local government on the detailed operation of this scheme and provide guidance to councils later in the year.

Business Rates

- 116 Business Rates Retention was implemented in 2013/14 and the council now has a vested budget interest and stake in the level of business rate yield, as income generated from Business Rates is shared between Central Government (50%), Durham County Council (49%) and County Durham and Darlington Fire and Rescue Authority (1%). Therefore, it is not only the accuracy and timeliness of bills levied and collected that is monitored and audited, but also the level of income anticipated for the year is important.
- 117 In 2017/18, following consultation, the government implemented the first revaluation of Business Rates since April 2010.
- 118 The revaluation of the rateable values of all Business Properties was undertaken by the Valuation Office Agency and, along with national changes to Multipliers, Relief Thresholds and Transitional Arrangements, came into effect from April 2017. The overall effect of the revaluation on the Collection Fund saw a decrease of an estimated £9.3 million in rates yield/ liability when compared to 2016/17. The revaluation should be cost neutral to Durham County Council and County Durham and Darlington Fire and Rescue Authority. Therefore, compensation arrangements are made through adjustments to Section 31 grants and Top Ups for their shares of losses of income.
- 119 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 2020 estimate of 2020/21 Business Rates income that was used for budget setting purposes.
- 120 On Monday 27 January 2020, the government announced additional business rates measures that would apply from 1 April 2020. The Budget on Wednesday 11 March 2020 confirmed the measures and on 17 March 2020 the Chancellor set out a further package of targeted measures to support businesses through this period of disruption caused by COVID-19:
- (a) increasing the retail discount from one-third to 50 per cent for eligible retail businesses occupying a property with a rateable value less than £51,000;
 - (b) extending the retail discount to eligible music venues and cinemas with a rateable value less than £51,000;
 - (c) introducing a pub discount of £1,000 to eligible pubs with a rateable value of less than £100,000 - this being in addition to the retail discount and will apply after the retail discount.

- (d) Extending the £1,500 business rates discount for office space occupied by local newspapers for an additional 5 years until 31 March 2025.
- 121 In response to COVID-19, the government went further than previously announced and made the following commitments:
- (a) the retail discount will increase to 100% for 2020/21
 - (b) the relief will be expanded to the leisure and hospitality sectors
 - (c) the pub discounts will increase to £5,000
- 122 Further measures announced on 17 March and 18 March 2020 were:
- (a) A 12 month business rates holiday for all retail, hospitality and leisure businesses
 - (b) A business rate holiday for non-local authority child care providers in 20/21
- 123 In making these series of announcements the government stated that local authorities would be fully compensated for these Business Rate measures, which have the impact of significantly reducing the business rates chargeable/ business rates yield, via a Section 31 grant in 2020/21.
- 124 At 30 September 2020, the estimated outturn for the Collection Fund Business Rates is an in year deficit of £51.885 million of which the council's 49% share of £25.423 million. This deficit is offset by the receipt of additional Section 31 grant of £24.840 million due to the additional business rate reliefs. At this stage it is therefore forecast that there will be small deficit of £0.583 million although this forecast would be significantly impacted by any business closures over the remainder of 2020/21.
- 125 The total deficit for 2020/21 taking into account the undeclared surplus position as at 31 March 2020 of £8.233 million is a deficit of £43.652 million as calculated in the following table.

	£ million
Net rate yield for 2020/21 including previous year adjustments	67.105
Estimate of changes due to appeals lodged and future appeals	-3.383
Estimated losses in Collection – Provision for Bad Debts and Write-offs	-0.699
Net income receivable (a)	63.023
Agreed allocated shares:	
Central Government (50%)	55.912
Durham County Council (49%)	57.053
County Durham and Darlington Fire and Rescue Authority (1%)	1.141
Cost of Collection Allowance and Renewable Energy (paid to Durham County Council)	0.802
Total fixed payments (b)	114.908
Net deficit for year (a) – (b)	-51.885
Undeclared Surplus / (-) Deficit brought forward from 2019/20	8.233
Estimated year end deficit	-43.652

- 126 The in-year estimated deficit of £51.885 million and the total undeclared surplus brought forward from 2019/20, leaves an estimated net deficit of £43.652 million at 31 March 2021.
- 127 The surplus/ deficit at 31 March in any year is shared proportionately between Durham County Council, Central Government and County Durham and Darlington Fire and Rescue, Durham County Council's share being 49%. Durham County Council's share of the estimated year end deficit will therefore be £21.389 million before we account for the receipt of the compensating Section 31 grant.

128 As with residents, local businesses have also been severely impacted by the COVID-19 pandemic, particularly during the national lockdown period. The in-year collection rate at 30 September 2020 was 56.68%, which is 2.05% points below the same position last year. A number of businesses have chosen to defer their payments until later in the year and the council has moved quickly to make payments to eligible businesses under the national Small Business Grant Fund and Retail Hospitality and Leisure Grants Fund. Circa £99 million of grants have paid out, with a further circa £5 million of support also being provided under the Local Discretionary Grants Fund. As with Council Tax, there has been no recovery action for unpaid Business Rates in the year to date. The in-year collection rates at the end of quarter two for the current and last two financial years, are as follows:

Billing year	Position at 30 September Each Year %
2020/21	56.68
2019/20	58.73
2018/19	58.90

Section 31 Grant - Small Business Rate Relief

- 129 Small business ratepayers with properties with rateable values under £15,000 benefit from relief on their rates payable. The government has awarded local authorities a 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.
- 130 Small business ratepayers with properties with rateable values up to £12,000 are now being granted full relief, and properties with rateable values between £12,000 and £15,000 have a tapered relief applied to them ranging from 100% down to 0%.
- 131 The government has agreed to pay Section 31 grant for any additional small business rate relief in respect of business rates bills and adjustments thereof relating to the period commencing 1 April 2013. Any adjustments that relate to bills for years prior to this will be dealt with as part of the normal rate retention shares.
- 132 At 30 September 2020, the gross small business relief awarded against 2020/21 business rates bills and adjustments to 2013/14 to 2019/20

bills is £17.624 million, and the council will receive £5.832 million in Section 31 grant, including the capping adjustment and threshold change adjustments, in this regard.

Other Section 31 Grants

- 133 In the Autumn Statement 2016, Spring Budget 2017 and Autumn Statement 2018 additional business rate relief schemes were announced on which Section 31 grants would be payable. These relief schemes include Rural Rate Relief and Local Newspaper Reliefs, Supporting Small Business, Local Discretionary Relief Scheme, Pub Relief and Retail Relief Schemes. Funding for these schemes is provided through Section 31 grants.
- 134 In response to the economic impact of COVID-19, the government has introduced the expanded retail discount. The business rates retail discount has been increased to 100% and now covers the leisure and hospitality sectors. The £51,000 rateable value threshold has also been removed. This relief will apply to occupied retail, leisure and hospitality properties in the year 2020/21 only, and will be fully funded by way of Section 31 grant.
- 135 A nursery discount has also been introduced for 2020/21, as a response to COVID-19, which will be fully reimbursed by Section 31 grant.
- 136 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. When the additional Section 31 grants to compensate for the extended retail, hospitality and leisure discounts and the extended nursery discounts are factored in the net impact is an increase in Durham County Council's Section 31 grants of £25.271 million of which £24.840 million relates to the additional reliefs in response to COVID-19.

Update on Progress towards achieving MTFP(10) savings

- 137 The delivery of the MTFP savings considers:
- (a) the duties under the Equality Act;
 - (b) appropriate consultation;
 - (c) the HR implications of the change including consultation with employees and trade unions;
 - (d) communication of the change and the consultation results;
 - (e) sound risk management.

- 138 The development of MTFP(10) proposals for 2020/21 has been underway since the 2019/20 proposals were agreed.
- 139 For MTFP(10), the council has delivered quarter two savings of £7.194 million which is 90% of the £8.010 million target.

Consultation

- 140 There has not been any public consultation on MTFP10 proposals in the last quarter.

HR implications

- 141 Equality data relating to the four staff leaving through voluntary redundancy, early retirement and ER/VR during quarter two of MTFP(10) showed that 75% were female and 25% were male. In terms of race, 100% stated that they were white British or white English. Regarding disability status 25% of employees said they had a disability, and 75% did not disclose their disability status. No staff have left through compulsory redundancy in quarter two.
- 142 Since austerity began in 2011, equality data relating to staff leaving through voluntary redundancy, showed that 63% were female and 37% were male. The higher proportion of female leavers is likely due to the exercises which took place in previous years which focused on traditionally female occupied professions. These included the closure of care homes, reduction in service in the Pathways and Youth service and a restructure and change of working pattern for Care Connect.
- 143 Since 2011, 31% of leavers had not disclosed their ethnicity, with 68% stating that they were white British or white English. Regarding disability status 4% said they had a disability, 16% had no disability and 80% did not disclose their disability status.

Equality Impact Assessments (EIA)

- 144 Services have completed EIA screenings and assessments where necessary as part of the decision-making process for 2020/21 MTFP10 proposals.
- 145 Projects to deliver growth proposals will be supported to ensure robust planning and that EIA screening are also completed.

Other useful documents

- County Council – 26 February 2020 – Medium Term Financial Plan 2020/21 to 2023/24 and Revenue and Capital Budget 2020/21.
- Cabinet – 8 July 2020 - 2019/20 Final Outturn for the General Fund and Collection Fund.
- Cabinet – 16 September 2020 – Forecast of Revenue and Capital Outturn 2020/21 – Period to 30 June 2020 and Update on Progress towards achieving MTFP(10) savings

Author(s)

Jeff Garfoot

Tel: 03000 261946

Paul Darby

Tel: 03000 261930

Appendix 1: Implications

Legal Implications

The consideration of regular budgetary control reports is a key component of the council's Corporate and Financial Governance arrangements. This report shows the forecast spend against budgets agreed by Council in February 2020 in relation to the 2020/21 financial year. The forecasts contained within this report have been prepared in accordance with standard accounting policies and procedures.

Finance

The report details the 2020/21 updated forecast of outturn position for Revenue and Capital and details the updated forecast movement on reserves.

Consultation

None.

Equality and Diversity / Public Sector Equality Duty

None.

Climate Change

None.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

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.

Procurement

None.

Appendix 3: Revenue Summary by Expenditure / Income for the period ended 31 March 2021

	Original Budget 2020/21	Revised Budget	Proposed Budget Revisions, including sums outside the cash limit	Contribution to / Use of Cash Limit Reserve	Contribution to / Use of Earmarked Reserves	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Corporate Costs Forecast of Outturn	Forecast of Outturn (including Corporate Costs)	Forecasted Variance (including Corporate Costs)	Forecasted Variance - Corporate Costs
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	561,387	533,231	8,467	5	573	542,276	537,561	344	537,905	-4,371	0
Premises	53,923	50,428	-60	0	0	50,368	53,013	0	53,013	2,645	0
Transport	46,738	46,274	53	0	0	46,327	45,265	0	45,265	-1,062	0
Supplies & Services	130,374	113,862	374	69	676	114,981	116,923	1,312	118,235	3,254	-212
Agency & Contracted	417,221	426,322	136	0	-873	425,585	454,762	3,225	457,987	32,402	1,250
Transfer Payments	163,446	161,528	-619	0	-66	160,843	161,799	6,964	168,763	7,920	6,964
Central Costs	106,669	117,141	180	0	2,086	119,407	120,569	115	120,684	1,277	0
DRF	2,330	2,407	0	0	32	2,439	2,669	70	2,739	300	0
Other	0	0	0	0	0	0	1	0	1	1	0
Capital Charges	65,068	65,068	0	0	0	65,068	65,068	0	65,068	0	0
GROSS EXPENDITURE	1,547,156	1,516,261	8,531	74	2,428	1,527,294	1,557,630	12,030	1,569,660	42,366	8,002
Income											
Government Grants	607,033	577,672	514	0	296	578,482	586,723	6,964	593,687	15,205	-6,950
Other Grants and Contributions	78,298	80,088	558	0	-12	80,634	89,406	0	89,406	8,772	0
Sales	11,349	6,324	18	0	-10	6,332	3,852	200	4,052	-2,280	-33
Fees and Charges	103,391	104,133	-194	0	206	104,145	85,018	-35	84,983	-19,162	35
Rents	9,208	8,571	0	0	0	8,571	8,144	0	8,144	-427	0
Recharges To Other Services	282,668	285,941	1,220	0	10	287,171	274,349	0	274,349	-12,822	0
Other	8,287	5,602	40	0	144	5,786	6,892	0	6,892	1,106	0
Total Income	1,100,234	1,068,331	2,156	0	634	1,071,121	1,054,384	7,129	1,061,513	-9,608	-6,948
NET EXPENDITURE	446,922	447,930	6,375	74	1,794	456,173	503,246	4,901	508,147	51,974	1,054

Appendix 4: Earmarked Reserves Position as at 30 September 2020

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	OPENING BALANCE	USE OF RESERVES	CONTRIBUTION TO RESERVES	TRANSFERS BETWEEN RESERVES	TOTAL MOVEMENT ON RESERVES	2020/21 CLOSING BALANCE AS AT 30 SEPT 2020
		£'000	£'000	£'000	£'000	£'000	£'000
Social Care Reserve	AHS	-25,671		-526	116	-410	-26,081
Public Health Reserve	AHS	-5,246	1,345	-695	70	720	-4,526
CEO Grant Reserve	CEO	-86				0	-86
CEO Operational Reserve	CEO	-119	98		-55	43	-76
Children's Services Reserve	CYPS	-1,785	527	-365		162	-1,623
Education Reserve	CYPS	-12,629	244			244	-12,385
AAP/Members Reserve	NCC	-2,033	137		-47	90	-1,943
Community Protection Reserve	NCC	-575	115	-8	-70	37	-538
Environmental Services Reserve	NCC	-1,483	426	-1,068		-642	-2,125
NCC Grant Reserve	NCC	-689				0	-689
NCC Operational Reserve	NCC	-2,881	414			414	-2,467
North Pennines AONB Partnership Reserve	NCC	-1,911				0	-1,911
Technical Services Reserve	NCC	-802	658			658	-144
Business Growth Fund Reserve	REG	-604				0	-604
Corporate Property & Land Reserve	REG	-1,356	759			759	-597
Culture and Sport Reserve	REG	-2,286	100	-498		-398	-2,684
Economic Development Reserve	REG	-2,123	12		-122	-110	-2,233
Employability and Training Reserve	REG	-276	31			31	-245
Funding and Programmes Management Reserve	REG	-506				0	-506
Housing Regeneration Reserve	REG	-473				0	-473
Housing Solutions Reserve	REG	-2,199			122	122	-2,077
Planning Reserve	REG	-862	506			506	-356
REAL Match Fund Programme Reserve	REG	-1,214	100			100	-1,114
Town and Villages Regeneration Reserve	REG	-19,767	4			4	-19,763
Transport Reserve	REG	-746	275			275	-471
Resources Corporate Reserve	Resources	-530	26			26	-504
Resources Customer Services Reserve	Resources	-315				0	-315
Resources DWP Grant Reserve	Resources	-573		-857		-857	-1,430
Resources Elections Reserve	Resources	-860				0	-860
Resources Grant Reserve	Resources	-154				0	-154
Resources Housing Benefit Subsidy Reserve	Resources	-1,542				0	-1,542
Resources Human Resources Reserves	Resources	-323	23			23	-300
Resources ICT Reserves	Resources	-1,242	212	-100		112	-1,130
Resources Internal Audit & Corporate Fraud Reserve	Resources	-80				0	-80
Resources Legal Reserves	Resources	-451	116			116	-335
Resources Operational Reserve	Resources	-58		-45		-45	-103
Resources Operations and Data Reserve	Resources	-38				0	-38
Resources Registrars Trading Reserve	Resources	-200				0	-200
Resources Revenue and Benefits Reserve	Resources	-854	241		-50	191	-663
Resources System Development Reserve	Resources	-354				0	-354
Resources Transformation Reserve	Resources	-1,277	394			394	-883
Budget Support Reserve	Corporate	-19,172	2,733			2,733	-16,439
Business Support Reserve	Corporate	-1,032		-152	-11	-163	-1,195
Capital Reserve	Corporate	-700				0	-700
Commercialisation Support Reserve	Corporate	-8,376	170			170	-8,206
COVID-19 Support Grant Reserve	Corporate	-17,521	17,521			17,521	0
Equal Pay Reserve	Corporate	-9,979				0	-9,979
ER/VR Reserve	Corporate	-3,346	419			419	-2,927
Feasibility Study Reserve	Corporate	-500				0	-500
Inspire Programme Reserve	Corporate	-330	132			132	-198
Insurance Reserve	Corporate	-10,070	6			6	-10,064
Office Accommodation Capital Reserve	Corporate	-24,739	23,715			23,715	-1,024
Total Earmarked Reserves		-192,938	51,459	-4,314	-47	47,098	-145,840
Cash Limit Reserves							
Adult and Health Services		-8,354	1,959	-3,198		-1,239	-9,593
Chief Executive's Office		0	16	-65	-126	-175	-175
Children and Young People's Services		0		1,544		1,544	1,544
Neighbourhoods and Climate Change		0		-1	-197	-198	-198
Regeneration, Economy and Growth		0		-1,032	-164	-1,196	-1,196
Resources		-2,758	297	-374	-113	-190	-2,948
Regeneration and Local Services		-329			329	329	0
Transformation and Partnerships		-318			318	318	0
Total Cash Limit Reserves		-11,759	2,272	-3,126	47	-807	-12,566
Total Council Reserves		-204,697	53,731	-7,440	0	46,291	-158,406
Schools' Balances							
Schools' Revenue Balance	CYPS	-15,949	2,290			2,290	-13,659
DSG Reserve	CYPS	3,807	2,080	-86		1,994	5,801
Total Schools and DSG Reserve		-12,142	4,370	-86	0	4,284	-7,858