

Economy and Enterprise Overview and Scrutiny Committee

23 February 2021



Regeneration, Economy and Growth – Quarter 2: Forecast of Revenue and Capital Outturn 2020/21

Report of Corporate Directors

Paul Darby, Corporate Director of Resources (Interim)

Amy Harhoff, Corporate Director of Regeneration, Economy and Growth

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide details of the forecast outturn position for quarter 2 revenue and capital for Regeneration, Economy and Growth (REG) as at 30 September 2020.

Executive summary

- 2 This report provides an overview of the updated forecast of outturn, based on the position at quarter 2, 2020/21. It provides an analysis of the budgets and forecast outturn for the service areas falling under the remit of this Overview and Scrutiny Committee and complements the reports considered and agreed by Cabinet on a quarterly basis.
- 3 The updated position is that there is a forecast underspend of £1.032 million, against a revised budget of £53.449 million.
- 4 In arriving at the cash limit position, Covid-19 related expenditure of £20.035 million, offset by Covid-19 related savings of £5.148 million within REG 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.
- 5 The revised service capital budget is £74.017 million with expenditure to 31 August of £22.626 million.

- 6 Details of the reasons for under and overspending against relevant budget heads are disclosed in the report.

Recommendation(s)

- 7 Economy and Enterprise Overview and Scrutiny Committee is requested to note the contents of this report.

Background

8 County Council approved the Revenue and Capital budgets for 2020/21 at its meeting on 26 February 2020. These budgets have subsequently been revised to account for changes in grant (additions/reductions), budget transfers between service groupings and budget re-profiling between years (in terms of capital). This report covers the financial position for the following budgets of the services within the scope of this committee;

- (a) Revenue Budget - £53.449 million (original £52.770 million)
- (b) Capital Programme – £74.017 million (original £85.434 million)

9 The original service budgets have been revised in year to incorporate a number of budget adjustments as follows:

• Transfer from NCC – CPPMU Team	£0.086m
• Transfer from AHS – Repairs & Maintenance	£0.003m
• Transfer from Resources – Surplus Assets	£0.025m
• Transfer from Resources – Asset Sales (temp position)	£0.018m
• Transfer from Contingencies – Apprenticeship Grades	£0.007m
• Transfer to Contingencies - NI Reduction	-£0.023m
• Transfer to Contingencies – Concessionary Fares	-£0.518m
• Net Use of Reserves – Quarter 1	£1.081m

10 The summary financial statements contained in the report cover the financial year 2020/21 and show: -

- (a) The approved annual budget;
- (b) The actual income and expenditure as recorded in the Council's financial management system;
- (c) The variance between the annual budget and the forecast outturn;
- (d) For the revenue budget, adjustments for items outside of the cash limit (outside of the Service's control) to take into account such items as redundancies met from the strategic reserve, capital charges and use of / or contributions to earmarked reserves.

Forecast Revenue Outturn 2020/21

11 The service is reporting a cash limit underspend of **£1.032 million** against a revised budget of **£53.449 million**.

12 The following two tables show the budget analysed by subjective category (type of expense), and then by Head of Service area.

Service Budget – Subjective Analysis £'000

Subjective Analysis	Annual Budget	Forecast Position	Variance	From Earmarked Reserves	Net Covid Adj	Outside the cash limit	Adj. Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	57,377	54,947	(2,430)	(75)	17	0	(2,488)
Premises	15,983	16,782	799	0	(733)	0	66
Transport	1,617	1,314	(303)	0	206	0	(97)
Supplies & Services	17,626	20,563	2,937	(585)	1,845	0	4,197
Agency & Contracted	42,229	48,581	6,352	0	(2,073)	0	4,279
Transfer Payments	0	94	94	0	0	0	94
Central Costs	11,940	12,165	225	0	0	0	225
Capital Financing	8,464	8,464	0	0	0	0	0
GROSS EXPENDITURE	155,236	162,910	7,674	(660)	(738)	0	6,276
Income	(101,787)	(95,029)	6,758	83	(14,149)	0	(7,308)
NET EXPENDITURE	53,449	67,881	14,432	(577)	(14,887)	0	(1,032)

Service Budget - Analysis by Head of Service £'000

REG Service Analysis	Annual Budget	Forecast Position	Variance	From Earmarked Reserves	Net Covid Adj	Outside the cash limit	Adj. Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Culture & Sport	22,463	28,236	5,773	44	(5,678)	0	139
Business Durham	(18)	2,822	2,840	0	(3,237)	0	(397)
Transport & CS	2,610	4,003	1,393	(75)	(1,255)	0	63
Development & Housing	7,001	8,245	1,244	(490)	(981)	0	(227)
Corporate Property & Land	61	3,295	3,234	(56)	(3,669)	0	(491)
REG Central Costs	21,142	20,992	(150)	0	0	0	(150)
Corporate Director	190	288	98	0	(67)	0	31
NET EXPENDITURE	53,449	67,881	14,432	(577)	(14,887)	0	(1,032)

- 13 The council has faced significant additional costs in relation to the Covid-19 outbreak and significant loss of income. In many areas the costs and loss of income for the first quarter are known. The likely impact over the remainder of the year however is much more uncertain. All additional costs and loss of income, net of Covid-19 related underspending, is being treated corporately and is therefore excluded from the cash limit.
- 14 The major areas of forecast Covid-19 additional cost and loss of income in respect of REG are as follows:
- (a) Culture Sport and Tourism – it is forecast that during 2020/21 the service will lose income from leisure centres (£6.563 million) and cultural venues (£2.584 million);
 - (b) Corporate Property and Land – it is forecast that there will be lost income of £4.447 million in Building and Catering Services;
 - (c) Transport and Contracted Services – it is forecast that there will be reduced income from parking services (£1.044 million) and enforcement (£0.312 million);
 - (d) Development and Housing – Reduced income is forecast from planning and building regulation (£0.645 million) while there are additional costs of bed and breakfast accommodation and shopping for the vulnerable (£0.273 million); and
 - (e) Business Durham – There are projected rental losses in respect of Business Space (£0.237 million) and £3 million has been included in respect of grant support for businesses. This is to safeguard jobs and facilitate economic recovery.
- 15 The major areas of forecast Covid-19 related savings in respect of REG are as follows:
- (a) Savings due to the closure of leisure facilities (£1.751 million) and cultural facilities (£1.766 million) are forecast;
 - (b) Savings from the closure of facilities operated by Corporate Property and Land are expected to be £0.670 million; and
 - (c) Additional savings across the service of £0.210 million from transport and other operational costs are anticipated.

Cash Limit Outturn – Explanation of Over and Under Spending

16 The main reasons accounting for the outturn position are as follows:

- Transport is £0.063 million overspent. This is mainly due to overspends in Sustainable Transport (£18,000), Traffic (£0.149 million) and Care Connect (£11,000), offset by savings while filling the Head of Transport post.
- 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 for fire damage at Dale View Caravan Park, unbudgeted rental income in Assets 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. In order to mitigate workload shortages arising from the Covid-19 pandemic, an additional sum of £1.5 million has been included in the forecast spend in respect repairs and maintenance. The funding for this work is included in the additional costs, and lost income relating to Covid-19
- Development and Housing is forecast to be underspent by £0.227 million. This is mainly due to underspends in Housing Solutions (£0.239 million) and Planning Development (£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.
- 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. This is to safeguard jobs and facilitate economic recovery. The funding for this work is included in the additional costs, and lost income relating to Covid-19.
- 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.

- 17 **Appendix 2** provides a more detailed breakdown of variations across the service area contained within the revenue budget.
- 18 In summary, the service grouping has successfully maintained spending within its cash limit.

Capital Programme

- 19 The capital programme makes a significant contribution to the regeneration ambitions of County Durham. The programme is relatively large and diverse and is managed by project delivery officers throughout the service.
- 20 The capital programme was revised in May for budget re-phased from 2019/20. This increased the 2020/21 original budget, since then further reports to the MOWG have detailed further revisions, for grant additions/reductions, budget transfers and budget re-profiling into later years. The revised budget now stands at **£74.017 million**.

21 Summary financial performance for 2020/21 is shown below.

Service	Revised Annual Budget 2020/21 £000	Actual Spend to 31 August £000	Remaining Budget 2020/21 £000
Culture, Sport and Tourism	1,929	185	1,744
Development & Housing	19,157	5,057	14,100
Business Durham	7,973	4,217	3,756
Corporate Property & Land	29,721	6,371	23,350
Transport & Contracted Services	15,237	6,796	8,441
Total	74,017	22,626	51,391

22 Officers continue to carefully monitor capital expenditure on a monthly basis. Actual spend for the first 5 months amounts to **£22.626 million**. **Appendix 3** provides a more detailed breakdown of spend across the major projects contained within the capital programme.

23 The key areas of spend during the year to date are on Major Transport Schemes (£6.262 million), Office Accommodation (£5.588 million) and Industrial Estates (£4.217 million). Other areas of the programme are profiled to be implemented during the remainder of the year and at year end the actual outturn performance will be compared against the revised budgets and service and project managers will need to account for any budget variance.

Background papers

- Cabinet Report (18 November 2020) – Forecast of Revenue and Capital Outturn 2020/21 – Period to 30 September 2020.

Contact: Ian Herberson

Tel: 03000 261861

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 the Council in February 2020 in relation to the 2020/21 financial year.

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital outturn position alongside details of balance sheet items such as earmarked reserves held by the service grouping to support its priorities.

Consultation

Not applicable.

Equality and Diversity / Public Sector Equality Duty

Not applicable.

Climate Change

Not applicable.

Human Rights

Not applicable.

Crime and Disorder

Not applicable.

Staffing

Not applicable.

Accommodation

Not applicable.

Risk

The consideration of regular budgetary control reports is a key component of the Councils Corporate and Financial Governance arrangements.

Procurement

The outcome of procurement activity is factored into the financial projections included in the report.

Appendix 2: Revenue Budget Variances – Quarter 2 2020-21

Culture Sport and Tourism

	Variance	Explanation
Culture & Sport Management	(1,271)	C&S Management £1,271k under budget - additional post not budgeted for £27k, MTFP Savings to be achieved pending restructure £202k less £1,500 payment to Beamish against Service Development, pending budget adjustment
Service Development	1,339	Place & Experience (£79k) under budget - mainly due to underspend in Community Arts and Visual Arts
		Wellbeing (£112k) under budget - due to 2 vacant posts and supplies and services underspends
		Growing & Learning £1,466k over budget - Mainly vacant posts within Library, Stock and Distribution offset with additional cost for Collections Assistant post to be covered by Visual Arts Vacancy, saving on Sevenhills utilities and Transport offset with additional Bowes payment in year 1 of the five year agreement and £1,500k payment to Beamish, budget against CS&T Mgt
		Improvement & Development £72k over budget -primarily overspent on leisure contracts including payments to 1Life.
		Externally Funded (£8k) under budget - surplus on the prison library service
Locality Delivery- Mgt	(1)	Minor variance
Locality 1	(70)	Locality 1 (£70k) under budget - Mainly a shortfall in income of £217k and a £82k overspend on Agency and Contracted Services offset with savings against Employees of (£144k) Premises - primarily utilities of (£69k) and Supplies and Services of (£154k)
Locality 2	(79)	Locality 2 (£79k) under budget - Mainly Leisure Centre income saving of (£730k) plus saving on staffing of (£33k), Premises - primarily utilities of (£49k) and supplies and services of (£14k) offset with overspend against agency and contracted services of £744k
Locality 3	(166)	Locality 3 (£166k) under budget - Mainly made up of (£285k) underspend staffing, (£123k) saving on Premises Costs offset by underachievement of income of £30k and overspends against supplies and services £110k and agency and contract related services of £103k
Visit County Durham	(4)	VCD (£4k) primarily underspend against employees
Derwentside Culture & Sport	391	Derwentside £391k over budget - Employees £9k, utilities £191k, rates £17k, cleaning £4k, £20k across supplies & services and income £403k overspends offset with underspends against insurance (£27k), transport (£5k) and agency and contract related expenditure (£221k)
TOTAL	139	

Business Durham

	Variance	Explanation
Operations	307	307k Operations - There is a 122k overspend on Employees due to honoraria payments. There is significant additional Consultancy and Project Management expenditure of 574k with a further 3,936m in Agency expenditure with the introduction of the UMI contract for Durham SME Digital Programme and County Durham Growth Fund. This is offset by (4,341m) matching ERDF grant and additional income from DIT KAM contract. The overspend is the match funding for the various programmes which will be met by over achieved income in Business Space. Premises shows an overspend of 17k and Transport has an underspend of (5k). A 3k COVID adjustment for savings in supplies, transport, etc.
Corporate Costs	(97)	(97k) Corporate - (98k) savings on Employee vacancies with a (12k) underspend on other areas. A 14k COVID adjustment for savings in supplies, transport, etc.
Innovation & Marketing	29	29k Innovation & Marketing - 5k Employee overspend, (30k) staff travel savings and 17k overspend on various supplies & services. A 37k COVID adjustment for savings in supplies, transport, etc.
Business Space	(636)	<p>(94k) Business Space Mgmt & Admin - Employees underspend of (81k) offset with the overspend in Operations. (35k) underspend in Premises and other additional savings in Supplies and Transport of (11k). The unachieved income of 33k is to be vired equally across the 4 areas of Business Space.</p> <p>(3k) Business Services - An underspend in Employees of (20k) offset by 16k overspend on Supplies and Services.</p> <p>(182k) Business Space South - Underspend on industrial sites of (84k) on Premises and over achievement of Income (97k). There is also a small overspend in Supplies of 10k. There is no provision for debt written-off at this time, giving an additional saving of (11k).</p> <p>63k Business Space Dales - There is a 10k overspend on Employees due to casual staff cover which has now ceased and additional hours for a permanent employee. Premises show an overspend of 30k due to rates and cleaning which is offset by savings of (18k) in Supplies and Services. Under achieved income for Dales Centre is 41k.</p> <p>(107k) Business Space North - Overspend on Premises 37k for various programmed repairs. The overspend in Supplies of 296k is for Jade to be offset by additional income of (428k). There is no provision for debt written-off so a saving of (12).</p> <p>20k Business Space Central - An underspend in Premises of (12k) offset by various overspends of 10k. An under achievement in Income of 23k and no projected debt written-off giving a further saving of (1k).</p> <p>(41k) Business Space NETPark - There is an over achievement of Income (195k) with an underspend in Supplies of (30k) and further savings in other areas of (5k). These are offset with the deferred rates for Kromek of 189k.</p>

		<p>It should be noted that a 10% fall in rental income totalling (400k) was projected at Quarter 1, despite the fact that income and occupancy levels were good in the early months of the year. This was considered prudent in light of the potential impact on deferred and future rent yields as the local economy emerges from the effects of the COVID crisis. This has been reviewed and revised for Quarter 2 to project a 5% projected fall in rental income of (237k) with further adjustments being done for (63k) of COVID related additional costs and a 9k adjustment for savings in transport, supplies, etc.</p>
TOTAL	(397)	

Transport and Contracted Services

	Variance	Explanation
Management	(115)	Savings on staff budget due to Head of Service leaving and being covered by temporary arrangement
Strategic Traffic	149	<p>Employees - £116k overspend - Additional costs for Traffic Manager due to covering HOS post, plus Staff turnover savings requirement £49k, plus additional costs for Apprentice posts and some re-gradings in Traffic not yet budgeted for.</p> <p>Premises - £67k overspend - £73k overspend on rates, offset by (£9k) underspend on Durham Bus Station due to likely closure in year. Plus some other minor overspends across the service.</p> <p>Transport - £29k overspend - mainly due to £31k overspend on repairs to bus shelters, being offset by savings across mileage/pool cars of (£11k) and some other minor overspends across the service.</p> <p>Supplies and Service - £101k overspend - Additional £35k spend on LCWIPs and £26k on providing consultant cover for a post in Highways Development. £55k overspend in Traffic. Offset partly by (£8k) underspend at Durham Bus Station, plus some additional underspends across the service.</p> <p>Third Party Payments - (£83k) underspend - (£83k) underspend on Park & Ride sites. (£24k) underspend on On & Off Street parking and (£17k) underspend on Durham Bus Station due to likely closure in year. Offsetting overspends of £32k for parking enforcement. Plus some minor overspends across the service.</p> <p>Central charges/Capital - (£26k) underspend - due mainly to underspend in relation to recharge for winter maintenance activities on car parks.</p> <p>Income - (£55k) over-achievement on income - Mainly due to loss of income related to COVID-19 being covered by a variety of grants. Offset partially by (£28k) additional income from bus shelter advertising and (£14k) additional income from recharges in Transport Project. Plus some minor variances across the rest of the service.</p>
Sustainable Transport	18	<p>Employees - (£121k) underspend - (£121k) underspend due to vacancies in Adult Fleet and some variances in Integrated Transport.</p> <p>Transport - (£107k) underspend - due mainly to (£106k) underspend in Adult Fleet due to reduced usage as a consequence of COVID-19 and vehicle excess. Plus some minor underspends across the service.</p> <p>Supplies & Services - (£122k) underspend - mainly due to (£25k) underspend on printing, (£23k) underspend on telephone costs, (£65k) underspend on Computer related expenditure. An underspend of (£5k) on bus and rail services and a (£6k) underspend in Adult Fleet. Plus other general underspends across the service.</p> <p>Third Party Payments - £103k overspend - mainly due to overspend on Bus and Rail contracts of £85k related to extra costs to Arriva (associated with CBSSG claim) and additional £25k related to normal services, plus some other minor underspends across service</p> <p>Central Support Services - (£11k) underspend - Due mainly to reduced recharges to Traveline anticipated.</p> <p>Income - £302k under-achievement - Mainly due to extra CBSSG income covering fares reductions & extra Arriva costs above in Bus & Rail Services (£109k) and additional (£100k) grant to help with colleges which is offsetting £392k around the recharges for fleet services. Plus some additional over-achievements of income across the service.</p>

Care Connect	11	<p>Employees - £17k overspend - due mainly to vacant posts not being filled offsetting levels of overtime in the service.</p> <p>Premises - (£3k) underspend - due to reduction in electricity charges.</p> <p>Transport - £4k overspend - due to minor overspends across the service.</p> <p>Supplies & Service - £29k overspend - due mainly to increased costs £63k for equipment and materials being offset by (£25k) underspend in Marketing spend as postholder only started mid year . Plus some other minor underspends across the service.</p> <p>Third Party Payments - (£1k) underspend - due to minor underspends in CCTV.</p> <p>Central costs - £3k overspend - due to writing off of bad debts in year.</p> <p>Income - (£38k) over-achievement on income - Due mainly to additional (£47k) income in CCTV area and (£34k) for care connect main customers, plus some other additional income from recharges (£30k) in Localities offsetting a reduction of SLA income by £73k.</p>
TOTAL	63	

Development and Housing

	Variance	Explanation
Head of Dev & Housing	29	29k Head of Service overspend. 395k overspend on Supplies for professional, legal and Karbon Homes fees, offset by (366k) drawdown from Planning Reserve for invoices received to date.
Planning Development	(112)	<p>42k Development Management overspend. Saving on Employees and Transport of net (102k) - historical saving reduced after transfer of vacancies to Business Support. Overspend of 54k on Supplies & Services due to increased consultants, legal and other professional fees and demolition costs. Overspend of 90k on Central Management Recharges for financial support given to Community Safety planning related work. Under achieved fee income of 500k projected due to the COVID crisis has been offset by adjustment below the line of the same amount.</p> <p>Business Development Support nil net spend.</p> <p>12k Planning Archiving overspend on third party Agency costs.</p> <p>(60k) Planning Appeals underspend due to savings in legal and professional fees.</p> <p>(25k) Planning Software underspend on rental maintenance and software costs.</p> <p>(162k) Building Control underspend due to savings on Employees (121k) and Transport (15k) delays filling vacancies. Saving on Supplies and Agency of (26k) on equipment, subscriptions, IT costs and advertising. Under achieved income of 145k projected due to the COVID crisis has been offset by adjustment below the line of the same amount.</p> <p>43k Dangerous Structures overspend re repairs in Premises and condition surveys in Supplies & Services.</p> <p>38k COVID saving adjustment for transport, supplies, etc.</p>
Spatial Policy	40	40k Spatial Policy overspend due to savings of (56k) on Employees due to two vacancies and (4k) Transport offset by net overspend of 183k on Supplies and Agency largely on planning inspectors fees, partially offset by a (58k) drawdown from reserves to offset the inspection fees. Additional grant Income of (43k). 18k COVID saving adjustment for transport, supplies, etc.
Economic Development	56	(2k) Community Econ Dev. Small savings on Transport (1k) and Supplies (2k). COVID savings adjustment of 1k for transport, supplies, etc.

		<p>74k Durham Employment & Skills. An overspend due in the main to the cessation of various work programmes where the budgeted surplus of 323k from income will not be realised. This is offset by underspends on employees for two vacancies (83k), Transport (14k) and Supplies (27k). An adjustment of (139k) has been made for the under achievement of income caused by the COVID pandemic and a further adjustment of 14k was made for COVID related savings in transport, supplies, etc. Where work contracts have ceased budgets have been re-aligned as far as possible from Quarter 1 to reflect the service's current workload and income expectations.</p> <p>2k Economic Development. Saving of (21k) on Employees, (3k) Transport costs and (21k) on Supplies & Services. Contractor payments are expected to overspend 186k, which is offset by increased Income of (142k). COVID saving adjustment of 3k for transport, supplies, etc.</p> <p>(37k) Employability. Under budget due to Employee savings of (83k) offset by a transfer back to reserves of 47k and a COVID costs adjustment of (1k).</p> <p>19k International Relations. Reduced income figure of 194k offset by reduction in related expenditure of (136k). There are also savings in Employees of (15k) and Transport (1k) and a COVID related savings adjustment of 1k. COVID adjustment of (24k) for lost schools' income.</p>
Physical Development	(18)	<p>8k management & Admin. Underspend of (138k) on employees for vacancies. Saving of (£9k) on Transport for staff travel and car allowances. Overspend on Supplies of 192k due in the main to Professional fees, offset by Commercialisation Reserve drawdown of (131k). Under recovery on income of 83k. COVID adjustment for savings on transport and supplies, etc of 11k.</p> <p>Durham City Promotions (40k). Saving of (40k) on promotions budget in Agency. Best Bar None will not be held.</p> <p>Community Led Housing (1k). Surplus due to additional Income of (3k) offset by small savings of 2k in other expenditure.</p> <p>Strategic Housing Delivery nil net spend.</p> <p>Strategic Housing - Chapter Homes 15k. Overspend on Employees 23k and Premises 2k. These are offset by savings in Transport (3k) and Supplies (7k)</p> <p>Town Centres nil net spend. Overspend of 40k in Supplies on professional fees to be financed from earmarked reserve.</p> <p>Strategic Employment Site nil net spend. Overspend of 12k in Strategic Sites on Supplies, professional fees, to be financed from earmarked reserve.</p>
Housing Solutions	(239)	<p>25k Area Based Housing. 32k Overspend on Employees, Supplies & Services underspend of (6k) due to year end provision not required. 39k overspend in Agency & Contracted Services to offset (40k) additional income.</p> <p>Nil net balance Housing Improvement. Very little activity within this area, all Expenditure is offset by Income.</p>

		<p>(103k) Activities. An overspend of 349k in Bed & Breakfast, 18k Out of Hours and 11k Prevention for Supplies and Services offset by (200k) additional income. Small savings in other areas of (8k) and a COVID additional costs adjustment of (273k).</p> <p>(16k) Family Intervention Project. Underspend on Employees (67k) offset by additional Transport costs 1k and reduced Income 50k.</p> <p>5k GRT Sites. Underspend on Employees (3k) and additional Income from Housing Benefit of (40k). A projected overspend on Premises of 88k for utilities, largely water charges. Underspend on Supplies (40k) for general expenses.</p> <p>47k Housing Initiatives. Selective Licensing shows expenditure of 138k, Project Beta expenditure of 11k, which is offset with Homeless Support Grant additional income of (61k) and Rapid Re-Housing (44k). There is a small overspend of 3k in Choice Based Lettings.</p> <p>(197k) Core Funded. Employees under budget (209k) re vacancies and MTFP saving 21/22. There is an overspend in Supplies of 53k due in the main to Conference and Seminar additional expenditure and other expenses. Transport shows an underspend of (47k) for staff travel and other small overspends of 2k. COVID adjustment of 4k for savings on transport, supplies, etc.</p>
Funding & Programmes	2	2k COVID saving adjustment for transport, supplies, etc.
Strategy & Project Development	16	16k Strategy & Project Dev overspend due to additional Transport costs 2k and overspend in Supplies 51k due largely to legal costs this year offsetting other supplies savings. Legal costs to be offset by (43k) drawdown from reserves. COVID saving adjustment 6k for transport, supplies, etc.
TOTAL	(226)	

Corporate Property & Land

	Variance	Explanation
Head of CPAL	(10)	Minor variance
Assets	(187)	<p>£38k overspend on professional services to support the service until restructure</p> <p>(£115k) underspend for unbudgeted rental income</p> <p>£13k overspend at Murton Resource due to tenant vacating</p> <p>£21k overspend at Horden Offices due to tenant vacating</p> <p>£14k overspend at Beveridge Arcade due to underachieved income</p> <p>(£9k) underspend at North Road Durham, payments due to HCA to be finalised in 20/21 when demolition date is known</p> <p>£29k overspend on Property Surveys for structures</p> <p>(£17k) underspend at Millennium Square due to unbudgeted rent income</p> <p>(£88k) underspend at Freemans Reach 1 following rent review</p> <p>£18k overspend on Freemans Hydro scheme due to repairs</p> <p>£54k overspend at Freemans Reach 2 due to ongoing dispute with tenant</p> <p>(£174k) underspend for Surplus Property which relates to insurance claim for Dale View Caravan Park fire damage</p> <p>£29k overspend at various other buildings</p>
Buildings & FM	(294)	<p>No variance Construction / R&M, however report on workload shortages being prepared for CMT</p> <p>(£23k) underspend on Management due to vacant post</p> <p>(£36k) underspend on Business Development due to staff vacancy and supplies</p> <p>£49k overspend on Compliance due to underachieved income being offset by vacant posts now being advertised</p> <p>£42k overspend on closed buildings awaiting disposal (Stanhope Town Hall, Claypath, Front St Stanley, Croft St, Hopper House)</p> <p>(£55k) underspend at Seaham due to unbudgeted income</p> <p>(£62k) underspend on rate refunds from 19/20 not processed in time due to Covid workloads</p> <p>(£12k) underspend on FM staffing due to vacancies</p> <p>(£27k) underspend on Pavilion utilities and rechargeable works</p> <p>(£46k) underspend on FM supplies</p> <p>(£124k) underspend on utilities across FM buildings</p>
Building Design	0	No variance
CPPMU	0	£12k overspend due mainly to unachieved staff turnover savings
TOTAL	(491)	

Appendix 3: Capital Programme 2020/21

	Revised Annual Budget £000	Profiled Budget £000	Actual Spend to 31 August £000	Remaining Budget £000
General Fund				
Development & Housing				
North Dock, Seaham	72	0	0	72
Town Centres	3,380	900	472	2,908
Town & Village Centre	1,353	180	127	1,226
Minor Schemes	168	42	42	126
Disabled Facilities Grant /FAP	5,548	1,670	1,533	4,015
Housing Renewal	3,253	366	188	3,065
Housing Development	1,032	274	170	862
Chapter Homes	2,500	1,175	2,525	(25)
Beamish Capital Project	1,623	406	0	1,623
Strategy & Programmes Minor Schemes	228	0	0	228
	19,157	5,013	5,057	14,100
Business Durham				
Industrial Estates	7,973	3,772	4,217	3,756
	7,973	3,772	4,217	3,756
Corporate Property and Land				
Structural Capitalised Maintenance	3,986	644	783	3,203
Office Accommodation	25,735	5,710	5,588	20,147
	29,721	6,354	6,371	23,350
Transport & Contracted Services				
Local Transport Plan	2,292	370	378	1,914
Transport Major Schemes	12,789	8,014	6,262	6,527
T&CS Minor Schemes	156	0	156	0
	15,237	8,384	6,796	8,441
Culture, Sport and Tourism				
AAP Schemes	0	0	0	0
Culture and Museums	1,048	277	174	874
Leisure Centres	662	20	11	651
Library	0	0	0	0
Outdoor Sports and Leisure Facilities	219	0	0	219
	1,929	297	185	1,744
Regeneration & Economic Growth	74,017	23,820	22,626	51,391