

## **Cabinet**

**15 September 2021**

### **Forecast of Revenue and Capital Outturn 2021/22 – Period to 30 June 2021 and Update on Progress towards achieving MTFP(11) savings**

**Ordinary Decision**



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## **Report of Corporate Management Team**

**Paul Darby, Corporate Director of Resources (Interim)**

**Councillor Richard Bell, Portfolio Holder for Finance**

### **Electoral division(s) affected:**

Countywide

### **Purpose of the Report**

- 1 To provide Cabinet with information on the:
  - (a) forecast revenue and capital outturn for 2021/22, based on the position to 30 June 2021;
  - (b) forecast for the council tax and business rates collection fund position at 31 March 2022, based on the position to 30 June 2021; and
  - (c) forecast use of and contributions to earmarked, cash limit and general reserves in 2021/22 and the estimated balances to be held at 31 March 2022.
- 2 To seek approval of the revised capital programme, other budget adjustments and proposed sums treated as outside of the cash limit in year.
- 3 To provide Cabinet with an update on progress towards achieving MTFP(12) savings in 2021/22.

## Executive summary

- 4 Since the outbreak of COVID-19 last year, the council, its partners, local businesses and local communities have together been working tirelessly to respond to the pandemic and to put plans in place for the restoration and recovery of services post-pandemic.
- 5 COVID-19 had a significant and complex financial impact in 2020/21 which has continued into 2021/22. This makes forecasting the council's outturn position even more challenging than usual.
- 6 In addition to the financial uncertainty during 2021/22, the longer term financial impact of the pandemic beyond this year is also unknown at this stage. The risk in this regard will be considered and assessed in future MTFP(12) Cabinet reports.
- 7 Since the outbreak of COVID-19, the council has had to implement national support schemes at short notice such as the Business Rates Grants Support Scheme(s); the Council Tax Hardship Support Schemes; Test and Trace Payments; the Winter Support Payments Scheme; Covid Local Support Scheme; Infection Control Schemes and Contain Outbreak Management Schemes. In addition the council has implemented a range of supplier relief schemes and addressed increased demand for support to vulnerable households whilst trying to accommodate new ways of working itself in response to the pandemic.
- 8 The national lockdown periods and post pandemic recovery continues to dominate the council's financial outlook, which makes accurately forecasting the outturn position for 2021/22 difficult.
- 9 At this stage of the year it is forecast that there will be a small net surplus on council tax and business rate collection funds, after taking into account Section 31 grant receivable, due to continuation of business rate reliefs relating to the pandemic. This situation will be kept under close review throughout the year especially in relation to collection rates as the public and businesses recover from the impact of the pandemic.
- 10 The government has provided a further tranche of non ringfenced funding to local authorities in the current year for the additional costs incurred as a result of COVID-19. The funding allocated to the council for 2021/22 is £15.56 million.
- 11 In addition, the government has extended the Income Guarantee Scheme for three months to 30 June 2021. This scheme requires local authorities to bear the first 5% of any qualifying income loss after which the government will provide a grant for 75% of subsequent losses. It is

estimated that the council will be able to claim circa £1.6 million from the scheme for 2021/22.

- 12 It is forecast that service groupings will overspend by a net £14.522 million. This overspend position mainly arises from additional expenditure and loss of income which are outside the cash limit associated with the COVID-19 outbreak of £21.261 million, offset by COVID-19 related underspends (relating to closure of facilities and disruption to normal service activity as a result of the pandemic) of £7.771 million. The forecast residual cash limit position is a £1.032 million overspend.
- 13 The forecast overspend in service grouping cash limits is offset by the forecast circa £17.2 million the council expects to receive from the government to cover the financial impact of the pandemic. Overall it is estimated that the council's 2021/22 budget will be underspent by £5.276 million, representing 1.12% of the net expenditure budget of £470.515 million.
- 14 The forecasts included in this report are subject to significant uncertainty. There are a wide range of assumptions that have been made in relation to expenditure and income over the remainder of the financial year, with significant uncertainty regarding the long term impact of COVID-19 restrictions which have only recently been lifted.
- 15 There will potentially be a range of interventions required by the council and ongoing impacts post pandemic that will have as yet unquantified financial pressures. The Cash Limit and General Reserves will potentially be required to meet any shortfall that ultimately arises.
- 16 In terms of service grouping cash limits, the projected revenue outturn is a forecast cash limit overspend of £1.032 million (0.22%). The cash limit position excludes any COVID-19 related issues which are considered to be outside of the control of service groupings and have been managed corporately. The costs associated with COVID-19 have been offset against government grant support provided.
- 17 Within the service grouping cash limits there is a forecast overspend in Children and Young People's Services of £4.754 million and a forecast underspend of £3.886 million in Adult and Health Services. Consideration is being given to whether a permanent budget transfer should be considered between these two service groupings.
- 18 In terms of sums outside the cash limit, there is a forecast underspend of £6.308 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.

- 19 Total earmarked and cash limit reserves (excluding school reserves) are forecast to reduce by £47.077 million in 2021/22, from £245.532 million to £198.455 million.
- 20 The forecast cash limit and general reserves position is a prudent one given the significant financial uncertainties facing local government beyond 2021/22. The MTFP(12) report to Cabinet on 7 July 2021 highlighted ongoing budget concerns for the council with a forecast savings shortfall of £43.7 million over the 2022/23 to 2025/26 period, with the delivery of further savings becoming ever more challenging to achieve.
- 21 The projected capital outturn this year is £199.218 million, with the capital budgets having been augmented with reprofiled budget from underspending against the 2020/21 capital programme.
- 22 To the end of quarter one, the council has delivered savings totalling £3.931 million, which is 74% of the £5.312 million target for the year. By 31 March 2022, since 2011, the council will have delivered over £246 million in savings in order to balance its budgets.

## **Recommendations**

- 23 It is recommended that Cabinet:
  - (a) note the council's overall financial position for 2021/22 and the uncertainty associated with the outturn forecast resulting from the continuing impact of COVID-19 as set out in the report;
  - (b) note the review being undertaken of base budgets for Children and Young People's Services and Adult and Health Services in light of the respective in year forecast overspend and underspend positions;
  - (c) agree the proposed 'sums outside the cash limit' for approval as set out in the report;
  - (d) agree the revenue and capital budget adjustments outlined in the report;
  - (e) note the forecast use of earmarked reserves in year;
  - (f) note the forecast end of year position for the cash limit and general reserves;
  - (g) note the additional costs and income loss faced as a result of COVID-19 which is offset by additional grant funding provided by government;

- (h) note the position on the capital programme and the Collection Funds in respect of Council Tax and Business Rates; and
- (i) note the amount of savings delivered during the first quarter of 2021/22 and the total savings that will have been delivered since 2011.

## **Background**

- 24 In accordance with the council's constitution, Council agreed Medium Term Financial Plan 11 (MTFP11), which incorporates the revenue and capital budgets for 2021/22, on 24 February 2021. MTFP(11) covers the period 2021/22 to 2024/25.
- 25 On 7 July 2021 Cabinet considered an updated Medium Term Financial Plan forecast (MTFP12) covering the period 2022/23 to 2025/26. The MTFP(12) report highlighted ongoing budget concerns for the council with a forecast savings shortfall of £43.7 million over the 2022/23 to 2025/26 period, with the delivery of further savings becoming ever more challenging to achieve.
- 26 The constitution also states that the Chief Finance Officer must report to Cabinet on the overall council budget monitoring position on a quarterly basis.
- 27 This report provides a forecast of the revenue and capital outturn for 2021/22, based upon expenditure and income up to 30 June 2021. It includes details relating to the General Fund revenue and capital budgets 2021/22, the Collection Funds for Council Tax and Business Rates and details relating to the Dedicated Schools Grant funding blocks, including maintained schools. This is the first report on forecast financial performance against the 2021/22 budgets this financial year.
- 28 This report also provides an update on the delivery of MTFP(11) savings for 2021/22. The planned 2021/22 savings were agreed by Council in February 2021 with a savings target of more than £5 million for the current year. This brings the overall savings target for the period from 2011/12 to 2021/22 to circa £246 million. Significant progress has been made towards achieving these savings.

## **COVID-19 - Context**

- 29 Since the outbreak of COVID-19, the council, its partners, local businesses and local communities have together been working tirelessly to respond to the pandemic and to put plans in place for the restoration and recovery of services post-pandemic.
- 30 The financial impact of COVID-19 in 2021/22 continues to be significant and complex which makes forecasting the council's outturn position even more challenging than usual.
- 31 The longer term financial impact of the pandemic beyond this year is unknown at this stage. The risk in this regard will be considered and assessed in future MTFP(12) Cabinet reports.

- 32 During 2020/21 the council implemented national support schemes at short notice which have continued into 2021/22. This includes the Business Rates Grants Support Scheme(s); the Council Tax Hardship Support Schemes; Test and Trace Payments; the Winter Support Payments Scheme; Covid Local Support Scheme; Infection Control Schemes; and Contain Outbreak Management Schemes as well as dealing with and implementing a range of supplier relief schemes whilst addressing increased demand for support to vulnerable households whilst trying to accommodate new ways of working itself in response to the pandemic.
- 33 In 2021/22 the council faces further challenges and budget pressures in relation to the continuing response to the pandemic and the restoration of services and supporting the post-pandemic recovery.
- 34 There will potentially be a range of interventions required by the council and ongoing impacts post pandemic that will have as yet unquantified financial pressures. Cash Limit Reserves and the General Reserves will potentially be required to meet any shortfalls in the funding that will be available.
- 35 COVID-19 has continued to impact on routine business as usual expenditure. There has been some continued delays in recruitment, savings against mileage and other costs as a result of large proportions of staff working from home and savings in operational building costs amongst other areas.

### **Revenue Outturn Forecast – Based on Position to 30 June 2021**

- 36 The following table compares the forecast of outturn with the revised budget. Further detail is provided in Appendices 2 and 3.
- 37 The following adjustments have been made to the original budget agreed by Council on 24 February 2021:
- (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 2021/22

	Original Budget 2021/22	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000
Adult and Health Services	133,618	132,749	127,354	-5,395
Chief Executive's Office	1,381	1,247	1,143	-104
Children and Young People's Services	133,876	140,784	146,989	6,205
Neighbourhoods and Climate Change	105,731	108,751	112,197	3,446
Regeneration, Economy and Growth	49,630	53,612	62,265	8,653
Resources	21,425	26,815	28,532	1,717
<b>Cash Limit Position</b>	<b>445,661</b>	<b>463,958</b>	<b>478,480</b>	<b>14,522</b>
Contingencies	10,337	8,814	8,814	0
Corporate Costs	4,378	7,250	7,206	-44
<b>NET COST OF SERVICES</b>	<b>460,376</b>	<b>480,022</b>	<b>494,500</b>	<b>14,478</b>
Capital charges	-62,797	-62,797	-62,797	0
DSG deficit reserve adjustment	0	1,080	1,080	0
Interest and Investment income	-2,900	-2,900	-3,029	-129
Interest payable and similar charges	38,416	39,023	37,773	-1,250
Levies	16,087	16,087	16,096	9
<b>Net Expenditure</b>	<b>449,182</b>	<b>470,515</b>	<b>483,623</b>	<b>13,108</b>
<b>Funded By:</b>				
Council tax	-241,266	-241,266	-241,266	0
Use of earmarked reserves	-7,957	-30,298	-30,298	0
COVID-19 Support Grant tranche 5	0	0	-15,560	-15,560
COVID-19 Income Guarantee Grant	0	0	-1,636	-1,636
Estimated net surplus (-) / deficit on Collection Fund	-1,514	-1,514	22,380	23,894
Use of earmarked reserves to offset deficit on Collection Fund	0	0	-23,894	-23,894
Business Rates	-57,304	-57,304	-57,304	0
Top up grant	-72,780	-72,780	-72,780	0
Revenue Support Grant	-28,227	-28,227	-28,227	0
Lower Tier Services Grant	-747	-747	-747	0
Local Tax Income Guarantee	-514	-514	-514	0
New Homes Bonus	-4,476	-4,476	-4,476	0
Section 31 Grant	-11,415	-11,415	-12,603	-1,188
Adult/Childrens Pressures Grant	-22,888	-22,888	-22,888	0
Forecast contribution to/from (-) Cash Limit Reserve	-94	914	-118	-1,032
Forecast contribution to/from (-) General Reserves	0	0	6,308	6,308
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

38 The above table identifies a forecast net underspend of £5.276 million. There is a forecast cash limit overspend of £1.032 million (0.22%) and a forecast General Fund underspend of £6.308 million. The cash limit position excludes the impact of COVID-19 which is being managed corporately.

39 The total net underspend of £5.276 million represents 1.12% of the net expenditure budget of £470.515 million.

40 The forecast position at this stage necessarily includes a number of assumptions in relation to costs and lost income resulting from COVID-19. In 2021/22 the council has forecast the receipt of £1.6 million in compensation for lost income through the Sales, Fees and Charges



Income Guarantee Scheme, to assist with managing the financial position in 2021/22. This position will be reviewed based upon claims being made and approved by government.

- 41 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.

<b>Service Grouping</b>	<b>Proposal</b>	<b>Amount £ million</b>
REG	Review of DLI and HQ	0.075
REG	Free Parking after 2pm	0.613
Resources	Coroners	0.005
<b>TOTAL</b>		<b>0.693</b>

- 42 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.

<b>Type of Reserve</b>	<b>Opening Balance as at 1 April 2021</b>	<b>Budgeted use at 1 April 2021</b>	<b>Movement during 2021/22</b>	<b>2021/22 Forecast of Outturn</b>
	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>
<b>Service Grouping Cash Limit</b>				
Adult and Health Services	-10.451		-3.814	-14.265
Chief Executive's Office	-0.135		-0.049	-0.184
Children and Young People's Services	0.000		4.754	4.754
Neighbourhoods and Climate Change	-1.294		0.286	-1.008
Regeneration, Economy and Growth	-1.431		1.148	-0.283
Resources	-2.462	0.094	-0.167	-2.535
<b>Total Cash Limit Reserve</b>	<b>-15.773</b>	<b>0.094</b>	<b>2.158</b>	<b>-13.521</b>
<b>General Reserve</b>	<b>-26.153</b>	<b>0.000</b>	<b>-6.308</b>	<b>-32.461</b>

- 43 The year end position on the General Reserve will be impacted by the current estimated deficit position of £4.754 million in the CYPS cash limit. Previous years' deficits on the CYPS cash limit have been financed from the General Reserve and it is expected this will again need to be the case for 2021/22. On that basis a more realistic forecast end of year position for the General Reserve at this point would be £27.707 million, with the adjusted Cash Limit outturn total being £18.275 million.

- 44 Given the forecast outturn position with regards CYPS and AHS (CYPS are forecasting a £4.754 million overspend in 2021/22 whilst AHS are forecasting a £3.886 million underspend), a review of these budget areas is underway to determine if a permanent base budget transfer should be considered between the service groupings.
- 45 The forecast cash limit and general reserves position is a prudent one given the significant financial uncertainties facing local government beyond 2021/22. The MTFP(11) report to County Council on 24 February 2021 highlighted ongoing budget concerns for the council with a forecast savings shortfall of £36 million over the 2022/23 to 2024/25 period, with the delivery of further savings becoming ever more challenging to achieve.
- 46 On 7 July 2021 Cabinet considered an updated Medium Term Financial Plan forecast (MTFP12) covering the period 2022/23 to 2025/26. The MTFP(12) report highlighted ongoing budget concerns for the council with a forecast savings shortfall of £43.7 million over the 2022/23 to 2025/26 period, with the delivery of further savings becoming ever more challenging to achieve.
- 47 In addition, whilst additional COVID-19 grant has been provided for 2021/22 with the Sales, Fees and Charges Income Guarantee Scheme also in place until 30 June 2021, the ongoing impact of COVID-19 upon both the national finances and the council's budget are uncertain at this point.
- 48 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 the future.

### **COVID-19 Impact**

- 49 The council continues to face significant additional unbudgeted costs and savings in relation to the outbreak and significant loss of income. The full ongoing impact continues to be uncertain and will be dependent to a large extent on government announcements with regards to any further local or national restrictions. The major areas of forecast additional cost and loss of income are as follows:
- (a) **Adult Social Care Provider Support £1.8 million** – it is forecast that during 2021/22 additional financial support above the contracted provision of circa £1.8 million will have been paid to providers. This support includes a temporary six month 2% uplift in fees and in addition targeted support being given to residential care homes where occupancy levels have dropped significantly. This support is in addition to support provided through the governments Infection Control Fund;

- (b) **Waste Management and Collection £3.4 million** – a range of additional costs are being incurred, such as increased waste tonnages, costs associated with reopening household waste recycling centres and operating them safely, including maintaining social distancing measures and traffic management of queues and additional employee costs associated with maintaining staff safety during waste collection;
- (c) **Lockdown Compliance and re-opening costs £1.2 million**
- (d) **Car Park Income £0.6 million** – reduced volume of traffic in town centres has reduced income levels;
- (e) **Theatres £1.4 million** – until the end of July, theatres have been closed and there continues to be uncertainty as to when our theatres will fully re-open and audiences will return to pre-pandemic levels;
- (f) **Leisure Income £3.6 million** – the closure and restrictions on access to facilities is having an ongoing impact on income;
- (g) **Aycliffe Secure £1.2 million** – reduced income due to social distancing requirements resulting in reduced occupancy within the facility;
- (h) **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.

- 50 It is forecast that service grouping budgets will overspend by a net £13.490 million. This overspend position arises from additional expenditure and loss of income associated with the COVID-19 outbreak of £21.261 million, offset by COVID-19 underspends of £7.771 million.
- 51 In 2021/22, the government is providing a fifth tranche of funding for local authorities for additional costs incurred as a result of COVID-19. This funding is allocated based upon formulae and the council is expected to receive £15.56 million.
- 52 The government has extended, for three months to 30 June 2021, the 'Income Guarantee Scheme' to provide financial support for lost sales, fees and charges income. 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.

- 53 The council is required to submit returns for support under the Income Guarantee Scheme. It is estimated that the council may be able to claim circa £1.6 million from the Income Guarantee Scheme for 2021/22 subject to further work and the extent of the claims that are made and paid.
- 54 The forecast position on COVID-19 costs and income losses will continue to be closely monitored. Based on the position to the end of quarter one it is expected that net costs and loss of income will be fully funded once again this year.

### **Cash Limit Position**

- 55 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)**

- 56 The 2021/22 projected outturn for AHS is a cash limit underspend of £3.886 million, representing circa 3% of the total budget for AHS.
- 57 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.
- 58 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 £0.760 million;
  - (b) Net spend on adult care packages is £3.126 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;
  - (c) Net expenditure on Public Health-related activity is in line with grant allocations.

- 59 In arriving at the forecast outturn position, the service has estimated £3.126 million of additional costs and lost income relating to COVID-19 and £4.634 million of COVID-19 related underspends.
- 60 In addition, a net £0.870 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 £0.168 million Adult Social Care reserve to fund temporary staffing arrangements;
  - (b) Use of £0.474 million from Public Health reserves to fund Public Health projects in year;
  - (c) Contribution to the AHS cash limit reserve of £1.877 million in relation to a £1.950 million contribution towards a Making Every Adult Matter (MEAM) Horden pilot, less a £0.073 million in-year use of reserve for temporary AHS staffing arrangements;
  - (d) Transfer from contingencies of £0.371 million in respect of transforming care;
  - (e) The following budget transfers were actioned during quarter 1:
    - (i) Safeguarding Adults Board from Neighbourhoods and Climate Change £149,000;
    - (ii) Transitions to CYPS £150,000;
    - (iii) First Aid Training to Resources £5,000.
- 61 Taking the projected outturn position into account, including the transfers to/ from reserves in year, the estimated cash limit reserve to be carried forward for AHS is forecast to be £14.265 million.

### **Chief Executive's Office (CEO)**

- 62 The forecast revenue outturn for 2021/22 is a cash limit underspend of £49,000 for the year after taking account of the forecast use of reserves and items outside the cash limit.
- 63 The forecast underspend is a managed position, reflecting the proactive management of activity across the service to try and remain within the cash limit.
- 64 A summary of the forecast outturn position across the service is provided below:

- (a) Communications and Marketing is forecast to be under budget by £68,000, primarily due to a managed underspend on employee costs (£66,000), offset by a forecast underachievement of income (£46,000) and £48,000 under budget on supplies and services.
  - (b) Service Management is forecast to be over budget by £19,000, primarily due to a managed overspend on employee costs amounting to £17,000. There are also a number of other minor variances in this service area.
- 65 In arriving at the forecast outturn position, the service is declaring £55,000 of underspends relating to COVID-19 and no additional costs, and lost income relating to COVID-19.
- 66 In addition, circa £0.121 million of costs relating to contributions to and from reserves and cash limits have been excluded from the outturn, details as follows:
- (a) £0.121 million transfer to the Customer Focus Reserve to replenish the reserves drawn down in the base budget that are no longer required.
- 67 Taking the projected outturn position into account, including items proposed to be treated as outside the cash limit, the total cash limit reserve forecasted to be carried forward for the service at 31 March 2022 is £0.184 million.

### **Children and Young People's Services (CYPS)**

- 68 The forecast revenue outturn for 2021/22 is a cash limit overspend of £4.754 million for the year, representing circa 3.55% of the total budget for CYPS.
- 69 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.
- 70 The projected outturn includes overspends within Education of £3.330 million and within Children's Services of £1.424 million, with further details provided below:
- (a) the Education Service is forecasting an overspend of £3.330 million. This includes a £2.953 million forecast overspend on Home to School Transport and a forecast shortfall in school and academy SLA income of £0.701 million. These overspends are partially offset by savings of £0.198 million in employee costs,

mainly due to vacant posts and other pay budgets, £80,000 under spend on staff recharges, £25,000 additional fees and charges income and general savings on Printing and Postages of £21,000; and

- (b) Children's Services (Children's Social Care and Early Help & Intervention) is forecast to be a net £1.424 million over budget for the year. The Service is forecasting an overspend of £5.294 million in creation to forecast cost of looked after children's placements (which have increased to circa 943 children), offset by £0.690 million savings on external adoption fees, £0.653 additional income in relation to joint funded arrangements with County Durham Clinical Commissioning Group, £1.031 million on Special Guardianship, Child Arrangement and Adoption Allowances, £0.140 million on young people placed on remand, £0.750 million from delays in opening the new Edge of Care home, £0.271 million from Direct Payments and a further £0.335 million mainly due to forecast savings on transportation costs for employees, children and young people.

71 The pressure on the children's social care budget 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 943 looked after children compared to an average of 877 in 2019/20. This budget was increased by £5.5 million in 2018/19; a further £6.5 million in 2019/20; £3.417 million in 2020/21 and £5.0 million in 2021/22 to cover the escalating care costs and additional staffing costs in order to meet the expected challenges and pressures identified in 2019/20.

72 The 2021/22 budgets also include additional budget growth of £1.7 million to recognise the financial pressures being experienced in delivering home to school transport, which has seen costs increase by 35% over the last two years.

73 In arriving at the forecast outturn position, the service has identified £2.061 million of additional costs and lost income relating to COVID-19, and £0.610 of COVID-19 related underspends. The net COVID-19 impact is therefore £1.451 million and is anticipated will be financed corporately by utilising Central Government grants.

74 The forecast cash limit outturn shows the position after a net £44,000 use of reserves. Transfers to and from earmarked reserves, cash limits and contingencies have been applied to finance the following items:

- (a) £26,000 use of Durham Music Service Reserve to fund a forecast shortfall in income in the current financial year; and

- (b) £18,000 use of Durham Learning Resources to cover the costs of the replenishment of books and materials in the current financial year;
- 75 Taking the forecast outturn position into account, there is a forecast £4.754 million deficit cash limit position at year end. Previous years' deficits on the CYPS cash limit have been financed from the General Reserve and it is expected this will again need to be the case for 2021/22.

## **Neighbourhoods and Climate Change (NCC)**

- 76 The forecast revenue outturn for 2021/22, based on the position to 30 June 2021, is a cash limit underspend of £0.114 million, after taking account of the forecast use of reserves and items outside the cash limit, including COVID-19 related expenditure and loss of income.
- 77 The main reasons accounting for the cash limit outturn position are as follows:
- (a) Environmental Services is forecast to be £0.504 million overspent. This is mainly resulting from overspends on the recycling contract which has had to be renegotiated with the contractor due to the reducing value of recyclable material of £0.581 million and also £0.144 million underachieved income on soil imports at Joint Stocks where the site is almost fully capped and can't take much more soil importation. These overspends have been offset by savings associated with continuing delays in implementing the two new refuse collection rounds resulting in an underspend of £65,000, staffing underspends in Neighbourhood Wardens where staff are not on the top of the grade, resulting in further savings of £97,000 and £59,000 increased income for commercial waste at the waste transfer stations;
  - (b) Technical Services is forecast to be underspent by £0.402 million, relating to additional income of £0.384 million from the street works permit scheme, and a £42,000 underspend on electricity charges;
  - (c) Consumer Protection is forecast to underspend by £0.228 million. The main reasons for this are a saving on employees of £0.167 million due to vacant posts, and transport savings of £54,000. The outturn for this service also includes planned expenditure of £1.353 million on COVID-19 Outbreak Management activities, which is offset by specific government grant;
  - (d) Partnerships & Community Engagement is forecast to overspend by £11,000, mainly due to being unable to meet the staff turnover



savings. The outturn for this service also includes planned expenditure of £2.263 million on COVID-19 Outbreak Management funded activities. The budgets in this area have been augmented with £2.240 million of funding drawn down from the Towns & Villages Reserve to increase Members' budgets by £1.26 million, and AAP budgets by £0.980 million. This year there also an additional £1.400 million being provided to AAPs for Community Recovery that is being funded from the Local Council Tax Support Grant.

- 78 In arriving at the forecast outturn position, the service is estimating £3.652 million of additional costs, and lost income relating to COVID-19, offset by COVID-19 related savings of £92,000 which have been excluded from the cash limit forecasts. This will be met corporately by utilising central government grants wherever possible.
- 79 In addition, £3.576 million relating to use of reserves and cash limits has been excluded from the outturn. The major items being:
- (a) £0.564 million drawdown from reserves relating to Climate Change and Environmental issues;
  - (b) £0.772 million drawdown from reserves relating to the procurement of future waste contracts;
  - (c) £0.400 million drawdown from NCC Cash Limit Reserve to fund the replacements and upgrade of the Castle and Cathedral Lighting;
  - (d) £0.505 million contribution to reserves relating to forecast underspends on the Find and Fix scheme; and
  - (e) £2.240 million drawdown from Town & Villages Reserve to fund additional expenditure on AAPs and Member budgets.
- 80 Taking the projected outturn position into account, the forecasted cash limit reserve to be carried forward for Neighbourhoods & Climate Change is £1.008 million.

### **Regeneration, Economy and Growth (REG)**

- 81 The forecast revenue outturn for 2021/22, based on the position to 30 June 2021, is a cash limit overspend of £0.618 million.
- 82 The outturn position is net of forecast use of reserves and items treated as outside the cash limit, including redundancy costs which are met from the corporate reserve, capital accounting entries and use of / contributions to earmarked reserves.

- 83 COVID-19 related expenditure and loss of income has also been excluded from the cash limit outturn.
- 84 The forecast outturn is a managed position, reflecting the proactive management of activity by Heads of Service across REG to try and remain within the cash limit.
- 85 As the service is forecasting an overspend of £0.618 million this has been reflected in the REG Cash Limit Reserve forecast to 31 March 2022. Work is currently underway to understand the issues causing the overspend, which are one-off budget pressures and which are ongoing pressures, so appropriate plans can be put in place to rectify and improve on the position. The main reasons accounting for the forecast outturn position are as follows:
- (a) Culture, Sport and Tourism is forecast to overspend by £93,000. The main reasons are an unrealised MTFP savings of £0.201 million and an overspend in Locality Services of £79,000 offset by an underspend in Service Development of £0.197 million, primarily relating to vacant posts;
  - (b) Transport and Contracted services is forecast to overspend by £0.537 million. In Strategic Traffic an additional £0.145 million has been incurred on Traffic services/ mitigation for events, £68,000 on contracts in Parking Services and £55,000 additional spending on repairs to bus shelters. In Care Connect there is a shortfall of £0.128 million in relation to reduced SLA income and subsidised client income in addition to an overspend of £85,000 on staff costs. In Sustainable Transport there are additional costs of £45,000 for bringing in a consultant to assist on the new database;
  - (c) Development and Housing is forecast to underspend by £81,000 This is the net effect of underspends of £0.148 million in Physical Development and £0.119 million in Housing Solutions, offset by an overspend of £0.133 million in Economic Development. There is a forecast cost of £0.280 million in this area to be covered via COVID-19 general grant funding;
  - (d) Business Durham is forecast to be in line with budget after the use of £3 million of COVID-19 general grant funding to support the payment of business recovery grants;
  - (e) Corporate Property and Land is forecast to overspend by £0.237 million, mainly due to costs associated with external support for case work in the Strategy and Property Management service. There is a forecast net cost of £0.477 million in this area to be covered via COVID-19 general grant funding; and

- (f) Central costs are forecast to underspend by £0.168 million against budget.
- 86 In arriving at the forecast outturn position, the service is declaring £10.008 million of additional costs, and lost income and relating to COVID-19 and £1.973 million of COVID-19 related underspends. The net COVID-19 impact is therefore £8.035 million, and this will be covered corporately by utilising Central Government grants wherever possible.
- 87 In arriving at the forecast outturn position, £4.107 million relating to use of reserves, cash limits and contingencies has been excluded from the outturn. The major items being:
- (a) £1.842 million use of Business Durham earmarked reserve created from an underspend against Additional Restrictions Grant (ARG) in 2020/21 and used to support payment of business recovery grants in the current year;
  - (b) £0.613 million use of Contingencies to support the Transport and Contract Services budget which is experiencing reduced car parking income as a result of the free parking after 2pm policy implemented after the budgets were set;
  - (c) £0.550 million use of Cultural Programme Reserve in respect of Lumiere;
  - (d) £0.350 million use of REG cash limit for costs associated with lease premium at Beveridge Arcade, Newton Aycliffe;
  - (e) £0.300 million use of Business Durham NETPark reserve to support feasibility work in respect of the Phase 3a expansion planning; and
  - (f) £0.238 million use of Economic Regeneration reserve to provide match funding for ESF/ERDF projects.
- 88 Taking the projected outturn position into account, the forecasted cash limit reserve to be carried forward for Regeneration, Economy and Growth is £0.283 million.

## **Resources**

- 89 The 2021/22 forecast revenue outturn for Resources is a cash limit underspend of £0.290 million. This takes into account adjustments for sums outside the cash limit such as redundancy costs which are met from corporate reserves and use of / contributions to earmarked

reserves. COVID-19 related expenditure and loss of income has also been excluded from the cash limit outturn.

- 90 The Heads of Service across Resources continue to proactively manage activity to 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 under budget by £5,000, with managed underspending on employee costs in Occupational Health of £37,000, offset by managed overspending on employee costs in Health and Safety of £48,000, with additional income of £29,000 also expected. There are also a number of other minor variances in this service area;
  - (b) Finance and Transactional Services is forecast to be under budget by £0.358 million, primarily due to underspends on employee costs of £0.345 million and a forecast overspend on supplies and services costs of £18,000 plus additional income of £49,000 in Revenues and Benefits. Payroll & Employee Services is forecasting to be over budget by £69,000 due to unachievable income of £41,000 and a managed overspend on employee costs of £28,000. Financial Management / Management is forecasting to be under budget by £51,000 mainly due to a managed underspend on employee costs;
  - (c) Digital and Customer Services is forecast to be over budget by £0.101 million. Within this area underachievement of income is forecast to be £0.334 million, but this is more than offset by forecast underspends on employee costs of £0.367 million and premises costs of £27,000. There is a overspend of £10,000 on supplies and services, which includes an undelivered MTFP saving of £0.218 million relating to Oracle software which will not be realised until next financial year. In quarter one, provision has been made for Direct Revenue Funding of two ICT capital projects to the value of £0.148 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 £13,000, comprising of a managed overspend of £28,000 on employee related expenditure which has been offset by a £13,000 underspend on supplies and services. The service is also forecasting £31,000 of additional income. There are also a number of other minor variances in this service area;
  - (e) Legal and Democratic Services is forecast to be under budget by £56,000. This includes a £58,000 managed underspend on

employee related expenditure and overachieved income amounting to £0.204 million. These underspends have been offset by a forecast overspend of £0.192 million on supplies and services costs (which includes a forecast overspend on barrister costs of £0.123 million) and £14,000 on premises related expenditure;

- (f) People and Talent Management is forecast to be over budget by £69,000, which includes a £64,000 managed overspend on employee related expenditure due to unachieved turnover efficiencies and a £5,000 overspend on supplies and services;
- (g) Strategy is forecast to be under budget by £45,000, primarily due to a managed underspend on employee related costs of £39,000 and a forecast underspend of £6,000 on supplies and services;
- (h) Transformation is forecast to be under budget by £77,000, primarily due to a managed underspend on employee costs of £64,000 and supplies and services of £13,000;
- (i) Procurement, Sales and Business Services is forecast to be over budget by £91,000, which includes a managed overspend on employee related expenditure of £0.126 million which is being covered from vacancy savings across the service grouping. The service is also forecasting £37,000 of additional income. There are also a number of other minor variances in this service area;
- (j) There are no material variances in Service Management.

91 In arriving at the forecast outturn position, the service is declaring £2.414 million of additional costs, and lost income and relating to COVID-19 and £0.407 million of COVID-19 related underspends. The net COVID-19 impact is therefore £2.007 million, and this will be covered corporately by utilising Central Government grants wherever possible.

92 The forecast cash limit outturn shows the position after a net £4.983 million of contributions to/ from reserves, cash limits and contingencies have been applied. The major items being:

- (a) £0.327 million to the Transformation Programme Reserve. The contribution reflects the forecast underspend on employee costs in 2021/22 associated with the Transformation Team;
- (b) £0.198 million from the Benefit Take Up Reserve (iBCF) to support the work on the ongoing impact of welfare reforms;

- (c) £0.207 million from the HR Reserve in respect of the Workforce Development Programme;
  - (d) £4.482 million from various COVID-19 Reserves to support the community and businesses;
  - (e) £0.108 million from the Residents Research Reserve as part of the funding received from CYPS to fund research work.
- 93 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 £2.535 million.

### **Corporate Costs**

- 94 The forecast revenue outturn for 2021/22 for Resources – Centrally Administered Costs is a cash limit underspend of £80,000. This takes into account adjustments for sums outside the cash limit such as the use of/ contribution to earmarked reserves.
- 95 The forecast outturn position is mainly due to reduced expenditure on bank charges and payment card fees (£7,000), expenses associated with raising loans (£20,000), legal expenses (£21,000) and £72,000 in respect of Contributions to Other Bodies, partially offset by a forecast shortfall of income from de-minimis capital receipts (£10,000) arising from the sale of assets. There are also a few other minor variances in this service area.

### **Central Budgets**

#### *Interest Payable and Similar Charges - Capital Financing*

- 96 This budget has been increased by £0.607 million to £39.023 million, following budget transfers from services to fund increased leasing costs, direct revenue funding and capital self-financing schemes. The forecast outturn position is expected to be £1.250 million lower than the revised budget. The forecast underspend reflects the ability to continue to delay actual borrowing due to the higher than forecast cash balances and also reflects the ongoing historically low interest rates available for borrowing.

#### *Interest and Investment Income*

- 97 The forecast income of £3.029 million is £0.129 million more than the £2.900 million budget. The forecast surplus reflects the combined effect of reduced investment returns, as interest rates achievable on short term investments have reduced significantly which have been offset in

year by increased one off dividends, primarily from Durham Villages Regeneration Limited.

## Council Earmarked Reserves Forecast

98 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 2021, the forecast movement on reserves during the year and the forecast closing balance as at 31 March 2022.

99 A summary of the 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 £47.077 million in 2021/22, from £245.532 million to £198.455 million, primarily relating the defraying of COVID-19 and other one off funding received last year and carried over at year end. The movement in earmarked reserves is explained in the service grouping commentaries.

	<b>Earmarked</b>	<b>Cash Limit</b>	<b>Total</b>
	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>
Opening Earmarked Balances as at 1 April 2021	-229.759	-15.773	-245.532
Adjusted for increase (-) / use of Earmarked Reserves	46.959	0.118	47.077
Transfers Between Earmarked and Cash Limit Reserves	-2.134	2.134	0.000
<b>Earmarked Reserve Balances as at 31 March 2022</b>	<b>-184.934</b>	<b>-13.521</b>	<b>-198.455</b>

## Dedicated Schools Grant and Schools

100 The council currently maintains 192 schools, including nursery, primary, secondary, special schools and a single Alternative Provision (AP) school. The AP school is for pupils who have been permanently excluded from other schools, or who are at risk of permanent exclusion.

101 The original budget for 2021/22 for these 192 maintained schools was £281 million, funded by income of £65 million, budget shares of £208 million (from central government funding) and a budgeted circa £8 million use of accumulated schools' reserves. The table below summarises the schools' initial budgets.

	Nursery	Primary	Secondary	Special / AP	Original Annual Budget
	£ million	£ million	£ million	£ million	£ million
Employees	(4.384)	(153.042)	(34.732)	(30.210)	(222.368)
Premises	(0.272)	(10.200)	(2.595)	(1.294)	(14.361)
Transport	(0.001)	(0.369)	(0.450)	(1.141)	(1.961)
Supplies and services	(0.432)	(29.911)	(6.469)	(4.887)	(41.699)
<b>Gross expenditure</b>	<b>(5.089)</b>	<b>(193.523)</b>	<b>(44.246)</b>	<b>(37.532)</b>	<b>(280.390)</b>
Income	3.804	41.814	13.209	5.872	64.700
Net expenditure	(1.285)	(151.709)	(31.037)	(31.660)	(215.690)
Budget share	1.072	145.670	30.672	30.524	207.938
Contribution to/(from) reserves	0.213	6.039	0.365	1.135	7.752
Balance at 31 Mar 2021	1.034	24.608	1.228	3.216	30.087
<b>Balance at 31 Mar 2022</b>	<b>0.822</b>	<b>18.569</b>	<b>0.863</b>	<b>2.081</b>	<b>22.335</b>

102 Four schools have been given approval to set deficit budgets where planned expenditure during 2021/22 would result in a deficit balance at 31 March 2022 (known as a licensed deficit). The budgets for these schools are summarised in the table below.

School Name	Phase	Deficit at 31 March 2021	Planned in-year use of reserves	Planned deficit at 31 March 2022	Licensed deficit (i.e. balance at 31 March 2022)
		£ million	£ million	£ million	£ million
Ferryhill Station	Primary	(0.045)	0.026	(0.019)	(0.019)
St. Thomas More RC	Primary	(0.047)	(0.025)	(0.072)	(0.065)
Wellfield	Secondary	(3.114)	0.200	(2.914)	(2.914)
The Durham Federation	Secondary	(0.504)	(0.310)	(0.814)	(0.814)

103 St Thomas More is expected to convert to an academy in September and the licensed deficit takes account of the fact that it will not be a maintained school for the whole of the financial year. To facilitate the conversion of this school the council has agreed to write-off the deficit balance at the point of conversion. This will limit the council's exposure to having to write-off a larger deficit in the future.

104 St Thomas More forms part of a federation with St Josephs. Both of these schools are expected to convert to join the Bishop Wilkinson Multi-Academy Trust as part of the planned conversion of all remaining



maintained Roman Catholic schools to various RC Multi Academy Trusts by July 2022.

- 105 The School funding Team will monitor the budget position for these schools and will work with them to identify further savings.

### **Dedicated Schools Grant Centrally Retained block**

- 106 The quarter one financial forecast for the centrally retained DSG budgets show an underspend of £1.080 million against a total expenditure budget of £101.056 million to year end, which represents a 1% underspend.

<b>DSG Block</b>	<b>Budgeted Expenditure</b>	<b>Budgeted Income</b>	<b>Forecast Expenditure</b>	<b>Forecast Income</b>	<b>Forecast Over / (Under) Spend</b>
	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>
Schools de-delegated	0.352	(0.352)	0.352	(0.352)	-
High Needs	65.743	(65.743)	64.666	(65.743)	(1.080)
Early Years	31.935	(31.935)	31.935	(31.935)	-
Central Schools Services	3.026	(3.026)	3.026	(3.026)	-
<b>TOTAL</b>	<b>101.056</b>	<b>(101.056)</b>	<b>99.976</b>	<b>(101.056)</b>	<b>(1.080)</b>

- 107 The forecast underspend position relates solely to the High Needs Block (HNB), which is forecast to underspend by £1.080 million.
- 108 This forecast underspend largely relates to placements for post-16 students across the FE and Independent sector.
- 109 All areas of HNB expenditure will be kept under close review in light of continuing 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.
- 110 The impact of the current forecast on the DSG reserves position is shown in the following table:

<b>DSG Reserves</b>	<b>High Needs Block (Unusable Reserve) £ million</b>	<b>Early Years Block £ million</b>	<b>Schools Block £ million</b>	<b>Total DSG £ million</b>
<b>Balance as at 1 April 2020</b>	<b>(5.726)</b>	<b>1.275</b>	<b>0.644</b>	<b>(3.806)</b>
Early Years adjustment 2019/20	0	0.097	0	0.097
Use [-] / Contribution [+] in 2020/21	(2.321)	0.003	2.105	(0.213)
<b>Balance as at 1 April 2021</b>	<b>(8.047)</b>	<b>1.375</b>	<b>2.749</b>	<b>(3.923)</b>
Use [-] / Contribution [+] in 2021/22	1.080	0	0	1.080
<b>Forecast balance as at 1 April 2022</b>	<b>(6.967)</b>	<b>1.375</b>	<b>2.749</b>	<b>(2.843)</b>

- 111 The overall DSG reserve was in deficit of £3.923 million at the start of the financial year, principally as a result of the accumulated deficit position in relation to the high needs block. The quarter one forecasts would suggest that the High Needs deficit is set to reduce this financial year for the first time.
- 112 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.
- 113 Following a funding announcement from Government on 21 July 2021, further information is now available about HNB funding levels in 2022/23. 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 2021/22, is underway.
- 114 Legislation came into force in November 2020 which directs that, where a local authority has a deficit in respect of its schools' budget for a financial year beginning on 1 April 2020, 2021 or 2022, the authority:
- (a) must not charge to a revenue account an amount in respect of that deficit; and
  - (b) must charge the amount of the deficit to an account established, charged and used solely for the purpose of recognising deficits in respect of its schools budget.
- 115 This means that the council can no longer hold a deficit earmarked DSG reserve and must instead transfer any DSG deficit balance to a new account (held in a specific unusable reserve). The £8.047 million deficit balance as at 1 April 2021 has been transferred out of the earmarked

reserve and is held in a new unusable reserve, whilst the five-year plan continues to recover the accumulated deficit.

## **Capital**

### *Background*

- 116 On 7 July 2021 Cabinet received a report which provided details of the final outturn position of the 2020/21 capital programme. This included a reprofiling exercise where £24.326 million from 2020/21 was reprofiled over future years. The existing 2021/22 budget of £178.809 was increased by the new 2021/22 capital allocations of £4.236 million approved by full Council on 24 February 2021. The 2021/22 budget was reprofiled following year end, with net reprofiling of £4.211 million being moved into future years. Additions of £26.574 million to the 2021/22 budget were also actioned. These changes result in an original budget of £205.408 million for 2021/22 which is shown in the table below.
- 117 The council's Member Officer Working Group (MOWG) closely monitors the capital programme and has 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*

- 118 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 June 2021.

Service Grouping	Original Budget 2021/22	Amendments recommended	Revised Budget 2021/22 Quarter 1	Actual Spend to 30 June 2021
	£ million	£ million	£ million	£ million
Adult and Health Services	1.210	0.000	1.210	0.000
Children and Young People's Services	33.641	-4.264	29.377	2.359
Neighbourhoods and Climate Change	58.740	-1.798	56.942	7.102
Regeneration, Economy and Growth	87.554	7.330	94.884	13.448
Resources	24.263	-7.458	16.805	1.361
<b>TOTAL</b>	<b>205.408</b>	<b>-6.190</b>	<b>199.218</b>	<b>24.270</b>

119 Variations to the capital programme, which result from additions and reductions in resources received by the council and reprofiling of budgets over future years, are set out below:

*Additions and Reductions*

(a) **CYPS** – the service has the following additions and reductions:

(i) **School Devolved Capital** – a £70,000 increase in the budget for Wheatley Hill Community Primary School, financed from a school loan. The School Devolved Capital budget has been reduced by £17,041 to reflect a reduction in the grant from DfE due to 3 schools converting to academies.

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

(i) **Environmental Health & Consumer Protection** – £60,000 for Horden Social Welfare Centre to be financed from Reserves.

(ii) **Environmental Services** - £0.285 million for On-Street Residential Electric Vehicle Chargepoint scheme financed by £0.113 million OLEV grant from DfT and £0.172 million from direct revenue funding. £0.192 million for play equipment at various play parks, financed from S106 contributions.

- (iii) **Technical Services** - £24,435 grant from the Rural Payments Agency for the NST – Pedestrian Counters scheme.
  - (iv) **Members Neighbourhood Fund** – £0.153 million budget increase funded from the Members Neighbourhood Revenue Reserve.
  - (v) **AAP Capital Budgets** – £38,101 budget increase funded from the AAP Revenue reserve.
- (c) **REG** – the service has the following additions:
- (i) **Development and Housing** – grant of £0.830 million from MHCLG for Disabled Facilities Grant schemes. S106 funding of £65,254 for Peterlee Community Building Re-development and £23,280 for Sacriston Coop Buildings Refurbishment grants.
  - (ii) **Culture and Sport** - £25,000 for Shildon Chaldron Waggon project, financed from reserves.

120 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 2021/22:

- (a) **CYPS** – £4.358 million has been re-profiled from 2021/22 into 2022/23 and 2023/24 to cover expected expenditure on a number of planned schemes. The most significant of these is the re-profiling of £2.640 million from 2021/22 to 2022/23 for Escomb Primary New Build School. Other amounts re-profiled from 2021/22 to 2022/23 include £0.229 million for replacement windows at Durham Sixth Form, £0.200 million for a rewire and fire alarm works at King Street Primary, £0.240 million for a rewire at Bearpark Primary and £0.251 million for heating replacement at Shotley Bridge Primary. £0.260 million for a rewire scheme at Witton Gilbert Primary was re-profiled from 2021/22, with £0.130 million going into both 2022/23 and 2023/24;
- (b) **NCC** - £1.769 million was re-profiled from 2021/22 into 2022/23. Significant amounts include £0.874 million for Leachate Treatment at Coxhoe East Landfill and £0.726 million for Joint Stocks Landfill Site Capping Works;
- (c) **REG** - £6.316 million (net) has been re-profiled from 2021/22 into 2022/23. Significant amounts include £1.156 million for the Locomotion New Exhibition Building, £0.381 million for the DMA Redhills Building Refurbishment and £2.175 million for Jade Business Park Infrastructure being re-profiled in line with the

latest construction programmes. £1.142 million was re-profiled from 2021/22 to 2022/23 for the TCF2 Walking and Cycling Corridors scheme to reflect updated delivery timescales and £0.700 million for Durham Bus Station and North Road Development. Delays on Leisure Centre Transformation schemes have resulted in re-profiling from 2021/22 to 2022/23 of £0.845 million for Riverside Leisure Centre, £0.510 million for Abbey Leisure Centre, £0.465 million for Spennymoor and £0.160 million for Freeman's Quay;

- 121 In addition to the above amendments, agreement is sought for an increase in the capital programme to enable a budget to be created to finance contributions to fit out costs for tenants in the Milburngate Development. The council has agreed to take a 35 year head lease over this facility and is seeking to ensure that high quality tenants are secured for the development to secure long term rental income for the council. The original funding package for the development secured funding for fit out contributions but the post pandemic market is very much different that the market position when the council agreed to take on the head lease.
- 122 The sum presently available to the council to finance fit out costs within the original deal is £1.160 million. It is apparent however, that to secure the high quality tenants required, an additional sum will need to be funded by the council. It is estimated that the sum required will be £5.660 million requiring a council contribution of £4.500 million. This sum will be financed from the Commercial Reserve.

### *Capital Financing*

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

<b>Financed By:</b>	<b>Original Budget 2021/22</b>	<b>Amendments recommended</b>	<b>Revised Budget 2021/22 Quarter 1</b>
	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>
Grants and Contributions	66.970	-1.831	65.139
Revenue and Reserves	13.634	4.904	18.538
Capital Receipts	12.204	0.245	12.449
Borrowing	112.601	-9.509	103.092
<b>TOTAL</b>	<b>205.409</b>	<b>-6.191</b>	<b>199.218</b>

## Council Tax and Business Rates Collection Funds

### *Council Tax*

- 124 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.
- 125 The in year collection rate at 30 June 2021 was 27.72%, which is the same position as at 30 June 2020.
- 126 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 who are still left with a bill to pay, with £2.403 million having been awarded to 30 June.
- 127 On 9 June 2021, the Corporate Director of Resources took a delegated decision to fully reinstate formal recovery action.
- 128 The in-year collection rates at the end of quarter one for the current and last two financial years, are detailed below:

<b>Billing Year</b>	<b>Position at 30 June Each Year %</b>
2021/22	27.72
2020/21	27.72
2019/20	28.51

- 129 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.
- 130 Actual cash collected as at 30 June 2021 was £84.050 million compared with £79.707 million as at 30 June 2020. When the Council Tax increases for 2021/22 are factored in this represents a year on year real terms increase of £1.769 million in terms of Council Tax income received. In quarter one formal recovery action only extended to reminders and final demands, with no court action being taken.

- 131 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 original budget.
- 132 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.
- 133 In July 2020 the government however, announced that repayments to meet any collection fund deficits accrued in 2020/21 would be phased over a three-year period (2021/22 to 2023/24) to ease immediate pressures on budgets.
- 134 At the 2020/21 budget setting stage the estimated in year outturn for the council tax element of the Collection Fund was a deficit of £5.720 million. In the preceptors 2021/22 budgets one third of this sum (£1.907 million) had to be repaid to the Collection Fund. The council share of this amounted to £1.612 million and this requirement was built into the council's 2021/22 budget.
- 135 In forecasting the 2021/22 outturn for the Collection Fund the second repayment of the 2020/21 deficit must be included in the forecast. The sum for the whole Collection Fund again being £1.907 million and the sum for the council being £1.612 million.
- 136 The 2021/22 forecast Collection Fund position must also take into account the final outturn position for 2020/21. The final outturn position for the council tax element of the Collection Fund had deteriorated from the budget setting stage with an increase (undeclared) in the deficit of £3.741 million with the council share being £3.162 million. This undeclared deficit for 2020/21 must also be taken into account in the 2021/22 Collection Fund.
- 137 Finally, in terms of the in year position for the council tax element of the Collection Fund as at 30 June 2021, the estimated in year outturn for the is a surplus of £0.103 million with the council's share being surplus is £0.087 million.
- 138 After taking into account the need to account for the second instalment of the phasing of the 2020/21 deficit of £1.907 million, the undeclared 2020/21 deficit of £3.741 million and the forecast in year surplus of



£0.103 million the overall forecast for the council tax element of the Collection Fund is a £5.545 million deficit. The council share of this deficit being £4.686 million.

	<b>£ million</b>
Net Bills issued during Accounting Year 2021/22	367.901
LCTRS and previous years CTB adjustments	-61.719
Calculated change in provision for bad debts required and write offs	-3.240
<b>Net income receivable (a)</b>	<b>302.942</b>
<b>Precepts and Demands</b>	
Durham County Council	241.266
Parish and Town Councils	13.734
Durham Police Crime and Victim's Commissioner	32.607
County Durham and Darlington Fire and Rescue Authority	15.232
<b>Total Precepts and Demands (b)</b>	<b>302.839</b>
<b>Net Surplus / (-) Deficit for year (a) – (b)</b>	<b>0.103</b>
<b>Spreading of Deficit Adjustment</b>	<b>-1.907</b>
<b>Undeclared Surplus / (-) Deficit brought forward from 2020/21</b>	<b>-3.741</b>
<b>Estimated year end deficit</b>	<b>-5.545</b>

### *Business Rates*

- 139 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.
- 140 In the Budget on 3 March 2021, the Chancellor announced that Expanded Retail Discount (2020/21) was to be extended for three months for eligible properties at 100% relief, uncapped, for the period 1 April 2021 to 30 June 2021. From 1 July 2021 to 31 March 2022, the Expanded Retail Discount would apply at 66% relief for eligible

properties in the scheme, with a cash cap of £2 million for businesses that were required to close as at 5 January 2021, and up to £105,000 for business permitted to open at that date.

- 141 The Nursery Discount 2021 was also extended for three months, at 100%, uncapped, for the period 1 April 2021 to 30 June 2021. From 1 July 2021 to 31 March 2022 the Nursery Discount would apply at 66% relief for eligible properties, with a cash cap of £105,000.
- 142 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.
- 143 As with residents, local businesses have been severely impacted by the COVID-19 pandemic, particularly during the national lockdown periods. The extraordinary levels of relief provided during 2020/21 to assist businesses cope with the impact of COVID-19 have been mainly withdrawn this year. The most significant change has been the recent withdrawal of the Retail Discount and in accordance with legislation, accounts subject to that relief have just been billed. In addition, the fact that recovery action against 2021/22 accounts only recommenced in June 2021 has contributed to a lower collection rate this quarter.
- 144 The in-year collection rate at 30 June 2021 was 27.63%, which is 6.17% points below the same position last year, reflecting the late receipt of rating list adjustments. Early indications show however that collection rates have improved in July. The in-year collection rates at the end of quarter one for the current and last two financial years, are as follows:

<b>Billing year</b>	<b>Position at 30 June Each Year %</b>
2021/22	27.63
2020/21	33.80
2019/20	34.36

- 145 In line with the position for council tax the repayments to meet any collection fund deficits accrued in 2020/21 can be phased over a three-year period (2021/22 to 2023/24) to ease immediate pressure upon the 2021/22 budget.
- 146 At the 2020/21 budget setting stage the element of the deficit on the business rate element of the Collection Fund which the council was able to spread over the following three years was £1.138 million. In the

preceptors 2021/22 budgets one third of this sum (£0.379 million) had to be repaid to the Collection Fund. The council share of this amounted to £0.186 million and this requirement was built into the council's 2021/22 budget.

- 147 In forecasting the 2021/22 outturn for the Collection Fund the second repayment of the 2020/21 deficit must be included in the forecast. The sum for the whole Collection Fund again being £0.379 million and the sum for the council being £0.186 million.
- 148 The 2021/22 forecast Collection Fund position must also take into account the final outturn position for 2020/21. The final outturn position for the business rate element of the Collection Fund had improved from the budget setting stage with an improvement (undeclared) in position of £6.337 million. This undeclared deficit for 2020/21 must also be taken into account in the 2021/22 Collection Fund.
- 149 Finally, in terms of the in year position for the business rate element of the Collection Fund as at 30 June 2021, the estimated outturn for the year is an in year deficit of £17.277 million of which the council's 49% share is £8.466 million. This deficit for the council however is offset by the receipt of additional Section 31 grant of £8.897 million due to the additional business rate relief. This results in a forecast in year surplus for the council of £0.431 million.
- 150 After taking into account the need to account for the second instalment of the phasing of the 2020/21 deficit of £0.379 million, the undeclared improvement in the 2020/21 position of £6.337 million and the forecast in year deficit of £17.277 million the overall forecast for the business rate element of the Collection Fund is a £11.319 million deficit of which the council share is £5.546 million. This deficit position for the council is offset by the forecast Section 31 grant of £8.897 million resulting in a forecast 2021/22 surplus on the business rate element of the Collection Fund of £3.351 million.
- 151 The total position for the business rate element of the Collection Fund for 2021/22 is detailed in the following table.

	<b>£ million</b>
Net rate yield for 2021/22 including previous year adjustments	105.613
Estimate of changes due to appeals lodged and future appeals	-3.845
Estimated losses in Collection – Provision for Bad Debts and Write-offs	-1.082
<b>Net income receivable (a)</b>	<b>100.686</b>
Agreed allocated shares:	
Central Government (50%)	58.344
Durham County Council (49%)	57.696
County Durham and Darlington Fire and Rescue Authority (1%)	1.172
Cost of Collection Allowance and Renewable Energy (paid to Durham County Council)	0.751
<b>Total fixed payments (b)</b>	<b>117.963</b>
<b>Net deficit for year (a) – (b)</b>	<b>-17.277</b>
<b>Spreading of Deficit Adjustment</b>	<b>-0.379</b>
<b>Undeclared Surplus / (-) Deficit brought forward from 2020/21</b>	<b>6.337</b>
<b>Estimated year end deficit</b>	<b>-11.319</b>

- 152 Taking into account the forecast positions for both council tax and business rates alongside the receipt of Section 31 grant the overarching position for the council in terms of 2021/22 the Collection Fund at the end of Quarter 1 are as detailed below highlighting a forecast overall £1.335 million deficit in the 2021/22 Collection Fund.

	£m
Council Tax Deficit	-4.686
Business Rates Deficit	-5.546
Section 31 Grant	<u>8.897</u>
<b>NET DEFICIT</b>	<b><u>-1.335</u></b>

### *Section 31 Grant - Small Business Rate Relief*

- 153 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.
- 154 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%.
- 155 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.
- 156 At 30 June 2021, the gross small business relief awarded against the 2021/22 business rates bills and adjustments to 2013/14 to 2020/21 bills is £17.490 million, and the council will receive £5.853 million in Section 31 grant, including the capping adjustment and threshold change adjustments, in this regard.

### *Other Section 31 Grants*

- 157 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.
- 158 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 applied to occupied retail, leisure and hospitality properties in the year 2020/21 only, however has since been extended to 30 June 2021, and will continue at a rate of 66% from 1 July 2021 to 31 March 2022. This discount will be fully funded by way of Section 31 grant.
- 159 A nursery discount was also introduced for 2020/21 as a response to COVID-19. The discount has been extended to 30 June 2021 at 100%,

and will continue at 66% from 1 July 2021 until 31 March 2022. This will be fully reimbursed by Section 31 grant.

- 160 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 £10.086 million of which £8.897 million relates to the additional reliefs in response to COVID-19.

### **Update on Progress towards achieving MTFP(11) savings**

- 161 The delivery of the MTFP(11) agreed 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.
- 162 MTFP(11) savings proposals for 2021/22, agreed by County Council on 24 February 2021 total £5.312 million.
- 163 At 30 June 2021, savings totalling £3.931 million, representing 74% of the £5.312 million total savings target have been delivered.

#### *Consultation*

- 164 There has not been any public consultation on any of the MTFP11 proposals in the last quarter.

#### *HR implications*

- 165 No staff have left through voluntary redundancy or early retirement in quarter one. The number of staff leaving through compulsory redundancy are too low to effectively analyse.
- 166 Since 2011, equality data relating to staff leaving through voluntary redundancy, shows that 66% were female and 34% 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.

167 Since 2011, 46% of leavers had not disclosed their ethnicity, with 54% stating that they were white British or white English. Regarding disability status 3% said they had a disability, 13% had no disability and 84% did not disclose their disability status.

#### *Equality Impact Assessments (EIA)*

168 Services have completed EIA screenings and assessments where necessary as part of the decision-making process for 2021/22 MTFP11 proposals.

169 Projects to deliver growth proposals will be supported to ensure robust planning and that EIA screening are also completed.

#### **Other useful documents**

- County Council – 24 February 2021 – Medium Term Financial Plan 2021/22 to 2024/25 and Revenue and Capital Budget 2021/22.
- 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
- Cabinet – 17 March 2021 – Forecast of Revenue and Capital Outturn 2020/21 – Period to 31 December 2020 and Update on Progress towards achieving MTFP(10) savings
- Cabinet – 7 July 2021 - 2020/21 Final Outturn for the General Fund and Collection Fund.

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## **Appendix 1: Implications**

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### **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 2021 in relation to the 2021/22 financial year. The forecasts contained within this report have been prepared in accordance with standard accounting policies and procedures.

### **Finance**

The report details the 2021/22 forecast of outturn position for Revenue and Capital and details the 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 2021/22

	Original Budget 2021/22	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
Employees	509,033	22,665	153	266	532,117	529,051	335	529,386	-2,731	-2
Premises	50,677	1,481	350	9	52,517	53,144	0	53,144	627	0
Transport	47,496	-30	0	22	47,488	50,008	0	50,008	2,520	0
Supplies & Services	113,643	3,630	39	4,317	121,629	131,240	1,668	132,908	11,279	140
Agency & Contracted	427,506	40,893	-1,950	868	467,317	465,126	4,731	469,857	2,540	34
Transfer Payments	166,814	6,070	0	9,297	182,181	200,275	11,079	211,354	29,173	1,219
Central Costs	127,115	-5,404	0	7,777	129,488	129,640	115	129,755	267	0
DRF	3,641	201	400	0	4,242	4,270	120	4,390	148	0
Other	0	24	0	0	24	24	0	24	0	0
Capital Charges	62,796	0	0	0	62,796	62,796	0	62,796	0	0
<b>GROSS EXPENDITURE</b>	<b>1,508,721</b>	<b>69,530</b>	<b>-1,008</b>	<b>22,556</b>	<b>1,599,799</b>	<b>1,625,574</b>	<b>18,048</b>	<b>1,643,622</b>	<b>43,823</b>	<b>1,391</b>
<b>Income</b>										
Government Grants	548,132	65,193	0	0	613,325	613,521	10,736	624,257	10,932	-1,479
Other Grants and Contributions	83,208	4,726	0	-203	87,731	90,237	0	90,237	2,506	0
Sales	7,235	-290	0	0	6,945	5,492	140	5,632	-1,313	10
Fees and Charges	104,257	388	0	-43	104,602	92,241	-34	92,207	-12,395	34
Rents	9,086	543	0	477	10,106	10,733	0	10,733	627	0
Recharges To Other Services	296,974	2,363	0	84	299,421	297,392	0	297,392	-2,029	0
Other	9,790	-3,329	0	0	6,461	37,478	0	37,478	31,017	0
<b>Total Income</b>	<b>1,058,682</b>	<b>69,594</b>	<b>0</b>	<b>315</b>	<b>1,128,591</b>	<b>1,147,094</b>	<b>10,842</b>	<b>1,157,936</b>	<b>29,345</b>	<b>-1,435</b>
<b>NET EXPENDITURE</b>	<b>450,039</b>	<b>-64</b>	<b>-1,008</b>	<b>22,241</b>	<b>471,208</b>	<b>478,480</b>	<b>7,206</b>	<b>485,686</b>	<b>14,478</b>	<b>-44</b>

## Appendix 4: Earmarked Reserves Position as at 30 June 2021

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	OPENING BALANCE	USE OF RESERVES	CONTRIBUTION TO RESERVES	TRANSFERS BETWEEN RESERVES	TOTAL MOVEMENT ON RESERVES	CLOSING BALANCE AT 31/3/22
		£'000	£'000	£'000	£'000	£'000	£'000
Social Care Reserve	AHS	-24,521	1,856	-159	2,945	4,642	-19,879
Public Health Reserve	AHS	-9,779	1,510	-65	-1,000	445	-9,334
CEO Grant Reserve	CEO	-86	121	-121		0	-86
CEO Operational Reserve	CEO	-431				0	-431
Children's Services Reserve	CYPS	-2,761	185		-750	-565	-3,326
Education Reserve	CYPS	-14,945	314			314	-14,631
Community Protection Reserve	NCC	-1,145			-1,950	-1,950	-3,095
Environmental Services Reserve	NCC	-4,837	1,441	-505		936	-3,901
North Pennines AONB Partnership Reserve	NCC	-1,127				0	-1,127
Partnerships and Community Engagement Reserve	NCC	-6,203	2,761		-4,581	-1,820	-8,023
Technical Services Reserve	NCC	-2,044			-40	-40	-2,084
Business Growth Fund Reserve	REG	-604				0	-604
Corporate Property & Land Reserve	REG	-1,913	80	-136		-56	-1,969
Culture and Sport Reserve	REG	-15,291	774	-94		680	-14,611
Economic Development Reserve	REG	-5,899	2,383	-477	-130	1,776	-4,123
Employability and Training Reserve	REG	-276				0	-276
Funding and Programmes Management Reserve	REG	-540				0	-540
Housing Regeneration Reserve	REG	-473				0	-473
Housing Solutions Reserve	REG	-3,522	50			50	-3,472
Planning Reserve	REG	-168				0	-168
REG Match Fund Programme Reserve	REG	-843	238	-27		211	-632
Town and Villages Regeneration Reserve	REG	-24,084			4,200	4,200	-19,884
Transport Reserve	REG	-1,195	70		-9	61	-1,134
Resources Corporate Reserve	Resources	-680				0	-680
Resources Council Tax Hardship Reserve	Resources	-2,820	2,820			2,820	0
Resources COVID-19 Support Grants	Resources	-4,873	4,482			4,482	-391
Resources Customer Services Reserve	Resources	-250				0	-250
Resources DWP Grant Reserve	Resources	-1,894			-464	-464	-2,358
Resources Elections Reserve	Resources	-1,713				0	-1,713
Resources Financial Services Reserve	Resources	-94				0	-94
Resources Grant Reserve	Resources	-154				0	-154
Resources Housing Benefit Subsidy Reserve	Resources	0				0	0
Resources Human Resources Reserves	Resources	-392	482		-154	328	-64
Resources ICT Reserves	Resources	-1,166	202		-250	-48	-1,214
Resources Internal Audit & Corporate Fraud Reserve	Resources	-125				0	-125
Resources Legal Reserves	Resources	-535	188		-192	-4	-539
Resources Operational Reserve	Resources	-199	108		-82	26	-173
Resources Operations and Data Reserve	Resources	-38	28			28	-10
Resources Registrars Trading Reserve	Resources	-150				0	-150
Resources Revenue and Benefits Reserve	Resources	-907	198		-198	0	-907
Resources System Development Reserve	Resources	-308				0	-308
Resources Transformation Reserve	Resources	-967		-327	521	194	-773
Budget Support Reserve	Corporate	-16,439	3,778			3,778	-12,661
Business Support Reserve	Corporate	-1,949	61			61	-1,888
Capital Reserve	Corporate	-273				0	-273
Collection Fund Deficit Reserve	Corporate	-24,863	23,894			23,894	-969
Commercialisation Support Reserve	Corporate	-10,096	168			168	-9,928
Equal Pay Reserve	Corporate	-9,479				0	-9,479
ER/VR Reserve	Corporate	-3,993	33			33	-3,960
Feasibility Study Reserve	Corporate	-500				0	-500
Inspire Programme Reserve	Corporate	-246				0	-246
Insurance Reserve	Corporate	-9,564				0	-9,564
Levelling Up Feasibility Reserve	Corporate	-1,000				0	-1,000
Local Taxation Income Guarantee Reserve	Corporate	-1,224	514			514	-710
Office Accommodation Capital Reserve	Corporate	-1,945	131			131	-1,814
Recovery Support Reserve	Corporate	-8,236				0	-8,236
<b>Total Earmarked Reserves</b>		<b>-229,759</b>	<b>48,870</b>	<b>-1,911</b>	<b>-2,134</b>	<b>44,825</b>	<b>-184,934</b>

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	OPENING BALANCE	USE OF RESERVES	CONTRIBUTION TO RESERVES	TRANSFERS BETWEEN RESERVES	TOTAL MOVEMENT ON RESERVES	CLOSING BALANCE AT 31/3/22
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Cash Limit Reserves</b>							
Adult and Health Services		-10,451	73	-5,837	1,950	-3,814	-14,265
Chief Executive's Office		-135		-49		-49	-184
Children and Young People's Services		0		4,754		4,754	4,754
Neighbourhoods and Climate Change		-1,294	400	-114		286	-1,008
Regeneration, Economy and Growth Resources		-1,431	400	618	130	1,148	-283
		-2,462	163	-290	54	-73	-2,535
<b>Total Cash Limit Reserves</b>		<b>-15,773</b>	<b>1,036</b>	<b>-918</b>	<b>2,134</b>	<b>2,252</b>	<b>-13,521</b>
<b>Total Council Reserves</b>		<b>-245,532</b>	<b>49,906</b>	<b>-2,829</b>	<b>0</b>	<b>47,077</b>	<b>-198,455</b>
<b>Schools' Balances</b>							
Schools' Revenue Balance	CYPS	-31,174	7,752			7,752	-23,422
DSG Reserve	CYPS	-4,124				0	-4,124
<b>Total Schools and DSG Reserve</b>		<b>-35,298</b>	<b>7,752</b>	<b>0</b>	<b>0</b>	<b>7,752</b>	<b>-27,546</b>