

Cabinet

16 November 2011



Forecast of General Fund and Housing Revenue Account Revenue and Capital Outturn 2011/12 – Period to 30 September 2011

Report of Corporate Management Team

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Purpose of the Report

- 1 To provide Cabinet with a forecast of 2011/12 revenue outturn for the period to 30 September 2011.

Background

- 2 This report updates the information presented to Cabinet on 22 September and incorporates the recommended changes to cash limits within Service Groupings agreed at that time.

Revenue

Current Position to 30 September 2011

- 3 The table overleaf compares the forecast with the revised budgets and is shown in more detail in Appendices 2 and 3:

Key to Table

Original Budget	As agreed by County Council on 23 February 2011
Budget – incorporating adjustments	Original Budget adjusted for budget revisions to be agreed by Cabinet.
Service Groupings Forecast of Outturn	Service Groupings' forecasted income and expenditure for 2011/12.
Forecasted Variance	Over and underspendings when comparing Service Grouping outturns to the Revised Budget.

	Original Budget	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000
Assistant Chief Executive	10,479	10,003	9,881	-122
Adult Wellbeing and Health	176,328	171,025	170,205	-820
Children & Young People	105,274	108,611	108,000	-611
Neighbourhood Services	99,290	105,182	105,683	501
Regeneration and Economic Dev	39,617	42,180	41,801	-379
Resources	19,125	22,290	22,286	-4
Contingencies	9,547	7,641	7,641	0
NET COST OF SERVICES	459,660	466,932	465,497	-1,435
Capital charges	-49,020	-49,020	-49,020	-0
Interest and Investment income	-577	-577	-1,262	-685
Interest payable and similar charges	26,271	25,321	24,674	-647
Net Expenditure	436,334	442,656	439,889	-2,767
Funded By:				
Council tax	-198,870	-198,870	-198,870	0
Use of earmarked reserves	-260	-5,821	-5,821	0
Estimated net surplus on Collection Fund	-814	-814	-814	0
Revenue Support Grant	-55,596	-55,596	-55,596	0
Re-distributed Non Domestic Rates	-179,861	-179,861	-179,861	0
New Homes Bonus	0	0	-1,300	-1,300
Forecast contribution to Cash Limit Reserve	-933	-1,694	-259	1,435
Forecast contribution to General Reserves	0	0	2,632	2,632
TOTAL	0	0	0	-0

- Notes: (1) Negative figures in the forecasted variance column represent an underspend
(2) Neighbourhoods forecasted variance to be covered from Service Grouping cash limit reserve

- 4 The following adjustments have been made to the Original Budget:
- (i) agreed budget transfers between Service Groupings;
 - (ii) budget transfer from contingencies for items outside the cash limit;
 - (iii) planned contribution to Earmarked Reserves (see Appendix 4).
- 5 The sums that Service Groupings have proposed as being outside the Cash Limit in Quarter 2 are detailed below:

SERVICE GROUPING	PROPOSAL	Amount
		£m
ACE	Repair and maintenance in Community Buildings	0.138
RED	Concessionary Fares	-0.050
Resources	Repairs and Maintenance	0.004
	Revenues and Benefits - additional support	0.189
	Coroner's Service	0.014
	HR Pay and Reward Project	0.115
Total		0.410

- 6 After adjusting the budgets as detailed above, the forecast outturn for Service Groupings Cash Limit Reserves and the General Reserve are summarised below:

Type of Reserve	Opening Balance as at 1 April 2011	Budgetted use at 1 April 2011	Movement during 2011/12		2011/12 Forecast Outturn
			Planned use of reserve	Contribution to (-) or use of reserve	
	£m	£m	£m	£m	£m
Service Grouping Cash Limit					
Assistant Chief Executive	-0.894		0.126	-0.122	-0.890
Adults, Wellbeing and Health	-5.423		0.000	-0.820	-6.243
Children and Young Peoples Service	-1.253	0.933	0.000	-0.611	-0.931
Neighbourhoods	-1.292		0.000	0.501	-0.791
Regeneration and Economic Development	-2.391		0.000	-0.379	-2.770
Resources	-0.873		0.635	-0.004	-0.242
TOTAL CASH LIMIT RESERVE	-12.126	0.933	0.761	-1.435	-11.867
General Reserve	-17.320	0.000	0.000	-2.632	-19.952

- 7 Details of the major variances follow for each Service Groupings in the above forecast of outturn figures.

Children and Young People's Services

- 8 The continuing focus in Quarter 2 of the financial year has been on the delivery of MTFP savings of £7.3m in 2011/12. Most are on target including key savings involving Transport Policy changes that were implemented from September 2011. In addition the impact of £10.58m of grant loss in 2011/12 has now been largely addressed. By 30 September 2011, 115 staff have left the service via combinations of Early Retirement and Redundancy.

- 9 The most volatile parts of the CYPS budget continue to be Fostering and Adoption costs and Agency Placements for increasing numbers of 'looked after children' where there are 36 additional looked after children between October 2010 and October 2011 that could have a full year cost of £1.62m. This significant base budget pressure is being supported by a variety of small scale efficiencies and the use of non-recurring reserves and balances during 2011/12. However, this cannot be sustained for 2012/13 and a business case has been made for additional investment as part of the new medium term financial plan (MTFP) process. The other major variable cost for CYPS is 'Home to School' Transport but firm data on contract ticket demand and the number of pupils being transported on contract vehicles was not available until late October 2011 so will be reported in quarter 3 forecast of outturn figures .
- 10 The conversion of some secondary schools to 'Academy' status is now increasing and by early 2012, there could be as many as 16 Academy Schools in County Durham. Discussions are continuing with the Department for Education (DfE) about the consequential impact on the value of Dedicated Schools Grant (DSG) payable to the County Council in the 2011/12 financial year. The value of each school's budget, plus a top slice for certain functions will be deducted and passed over to the Young People's Learning Agency (YPLA), which handles Academy funding. The transfer from the DSG to the YPLA in a full financial year is estimated to be over £60m.
- 11 Additional funds should be brought into the CYPS budget at Quarter 2 for:-
- Capital contribution towards 6th Form extension at Lanchester St Bede's – DCC contingencies £300,000
 - Studio school Capital project – Durham Community and Business College – DfE grant £650,000
 - Munro Review of Child Protection – new revenue grant £72,354
- 12 Safeguarding and Specialist Services pressures and transport are still volatile, but at this stage in the financial year, it is anticipated that by March 2012, there will be sufficient non-recurring reserves and balances and benefits from reducing spend wherever possible to mean that there will be a forecasted underspend of around £0.9m to roll forward into the 2012/13 financial year. This is consistent with CYPS proposals in the MTFP.

Adults, Wellbeing and Health

- 13 The service is currently reporting a forecast outturn position of £170.205m, after use of reserves, against the annual budget of £171.025m, a forecasted underspend of £0.820m.
- 14 In recognition of the Medium Term Financial Planning position and to assist in the management of the significant demographic pressures facing the service over the MTFP period, the service has continued to target a planned underspend for 2011/12, repeating the planned approach applied in 2010/11. This has enabled the creation of a £4.15m earmarked reserve for demographic pressures to assist the MTFP position.
- 15 There is a continuing success in the early delivery of MTFP savings proposals in relation to management and support service and care package spend levels as a result of the successful introduction of the Reablement service and

ongoing impact of the consistent and effective application of the existing eligibility criteria.

16 Key variations against budget are as follows:

- The re-tendering of the Domiciliary Care contract for the County was successful in securing a reduction in the price paid for this service. This has created a saving of £1.8m in the current year.
- The service has been successful in overachieving on a number of management and support service MTFP savings which together with the careful management and control of both vacancies and general budgets across the service, has created a projected underspend for the year of £2.84m. This approach will ensure that a planned underspend for the service is achieved and will also create opportunities for achieving restructures and service rationalisation required whilst minimising the impact of such changes on existing employees.
- Net spend on care packages is projected to be £1m below budget. This area of spend continues to be closely monitored to assess the impact of demographic changes. The introduction of the Reablement service in April 2011 has had a positive impact on the ongoing care levels of service users enabling them to be more independent than would otherwise have been the case and reducing ongoing care needs. The closely managed process in relation to the consistent and effective application of the existing eligibility criteria has also resulted in a reduction in the level of care packages commissioned.
- The government allocated additional funding to Primary Care Trusts (PCTs) late in 2010/11 to support winter pressures which together with additional funding made available through PCTs in the current year has allowed the development of a range of preventative services to be provided in 2011/12 amounting to £2.0m and a further £2.5m in 2012/13.
- Two of the approved 2011/12 Adults, Wellbeing and Health MTFP savings, relating to the reviews of the Adult Learning service (£0.12m) and stair lift maintenance arrangements (£0.15m), have been re-profiled into 2012/13 to allow further consultations on these proposals. Mitigating savings have however been identified to offset these reductions and ensure the savings target for the service area is achieved.
- Additional initiatives and investment in supporting people schemes (£0.8m) and the Heritage and Culture programme (0.64m) have been delivered through successful grant bids and contributions from partners.
- Earmarked reserves of £0.768m have been used to support a range of Health and Wellbeing initiatives and £0.763m of the MTFP Redundancy and Early Retirement reserve has been used to fund redundancy costs related to MTFP efficiency savings.

Neighbourhood Services

- 17 The forecast revenue outturn for 2011/12 is a cash limit over spend against the revised budget of £0.501m which will be covered from the Service Grouping cash limit reserve.
- 18 Following Cabinet in September, where the Quarter 1 revenue and capital budget report was considered, the Neighbourhoods revenue budget was revised to take account of:
- Redundancy costs linked to MTFP efficiency proposals, which are financed from the MTFP Redundancy and Early Retirement reserve, of £3.324m;
 - Local Government Review (LGR) transition costs relating to the acquisition of a single Environmental Health IT system, which was not fully expended by 31 March 2011, of £68k;
 - Hyper-inflation on fuel (£0.895m) and Street Lighting energy (£0.45m);
 - Use of earmarked reserves amounting to £1.294m (Sports Development projects, Countryside maintenance, Transport Asset Management Plan expenditure, and AAP funded Highways schemes.)
- 19 The forecast use of these reserves has been reviewed in Quarter 2, and it is now anticipated that redundancy costs linked to MTFP efficiency proposals (financed from the MTFP Redundancy and Early Retirement reserve) will be £0.432m lower than the previous forecast, and the use of earmarked reserves will be lower than previously forecast by £65k.
- 20 In addition, the following budget revisions are proposed that involve transfers between Neighbourhood Services and other Service Groupings.
- Transfer of £94k from Resources to Neighbourhoods in relation to Customer Services taking on responsibility for an element of Revenues and Benefits customer enquiries.
 - Increasing the income budget within Neighbourhoods for the rent of depots by £0.118m to reflect occupation by Resources (IT), and RED. Equal and opposite budget transfers are being reported by those other Service Groupings in this Q2 report.
- 21 The main factors behind the forecast cash limit overspend are as follows:
- Building and Construction Services is forecasting an under achievement of £0.203m against its budgeted surplus position. As reported previously, a range of measures are being taken to mitigate this position, including a restructuring of the service, and a review of charging rates;
 - There is a forecast overspend of £0.275m associated with Leisure Centres / Indoor Facilities as a result of a delay in achieving some of the proposed MTFP efficiency proposals. This has resulted in

higher than anticipated employee costs, along with mothballing costs, and also a fall in income over recent months at those leisure centres that were targeted for closure;

- Within Technical Services, there is a forecast overspend of £0.210m due to delayed MTFP efficiency proposals, mainly in the areas of Street Lighting and Gully waste recycling;
- There is a forecast overspend of £0.361m in relation to Waste Disposal costs as a result of unachieved efficiency savings, linked to the restructuring of Premier Waste following the sale of its commercial businesses, although this is more than offset by additional income relating to the sale of Dry Waste Recyclates (£0.246m), and savings from additional waste diversion of recyclable litter and street sweepings (£0.192m).
- Finally there is a forecast under spend of £0.1m on the centralised training budget within Neighbourhood Services.

22 Although the service is currently forecasting a cash limit overspend of £0.501m which will be covered from the Service Grouping cash limit reserve (an improvement of £0.478m over the Q1 position reported to Cabinet in September), it should be noted that every effort continues to be made to address this, and as a last resort, the service has a cash limit surplus brought forward from 2010/11 of £1.292m.

Regeneration and Economic Development

23 The service is reporting an outturn position of £41.801m against the revised annual budget of £42.180m – an underspend of £0.379m

24 The key variances are as follows:

- Policy Planning Performance - £21k saving in staffing and running expenses
- Economic Development - £0.233m saving. The service is experiencing a pressure of £0.199m from both loss of income on industrial estates and additional business rates on vacant units. This is being mitigated by savings secured on staffing and supplies and services.
- Housing - £0.133m underspend attributable to savings on staffing and supplies in housing solutions (£0.129m) and housing strategy (£0.084m) although there is an overspend in the housing regeneration service (£0.080m).
- Planning - £0.265m underspend of which £0.250m relates to staffing costs. There are additional pressures on building control fees which are £0.350m less than budget although planning fees are £62k higher. Costs are being incurred for two major appeals amounting to £60k for which there is no budget provision. There is a range of other savings on running costs including a projected underspend on blight works of £0.110m.

- Transport - £0.340m saving of which £0.247m relates to staffing and there is a net saving on other running expenses of £83k.

Resources

- 25 The service is currently reporting to break even after:
- the use of earmarked reserves to carry out the related planned activity in Revenues and Benefits and ICT.
 - accounting for redundancy costs met from the MTFP Redundancy and Early Retirement reserve.
 - adjusting for items outside the cash limit.
- 26 Within the forecasted break even position is a forecast overspend on employee costs of £0.197m. This position takes into account the cost of agency staff within ICT (linked to the better basics programme) and the revenues and benefits services (to support the outstanding workload arising from the new computer system implementation) at a cost of approximately £1.016m, substantially offset by the management of vacancies across these services, leading to direct staff savings of £0.819m.
- 27 There is a forecast under spend within assets premises costs of £96k associated with lower than anticipated building running costs and under spends, predominately within Legal Services, on supplies and services and transport costs of £0.210m
- 28 The projected outturn has been amended to reflect the mid year Housing Benefit and Council Tax Benefit Subsidy claims and reforecast housing benefit/council tax benefit payments, which was recently submitted to the Department of Work and Pensions. This has led to an anticipated drop in net income within this area of £0.185m
- 29 Service income is forecast to over recover by £81k, in the main related to higher than anticipated Land Charge income within Legal Services.
- 30 In the forecast breakeven position presented no adjustment for potential 'claw back' of subsidy payments resulting from the finalised Benefits audit (2009/10 and 2010/11) has been made. In the event, where sums are to be repaid it is anticipated that these will be met from an earmarked reserve.

Assistant Chief Executives

- 31 The Service is reporting a forecast outturn underspend of £0.122m after:
- accounting for the use of earmarked reserves to carry out the related planned activity;
 - accounting for redundancy costs met from the MTFP Redundancy and Early Retirement reserve;
 - adjusting for Repair and Maintenance costs which are no longer outside the cash limit.

- 32 The majority of the reported under spend relates to employee costs. As a result of careful management of vacancies within the service by the ACE management team a direct staffing cost saving of £0.339m is forecast. In order for these vacancies to be maintained, while delivering the service, agency staff have been utilised during the early part of the financial year to complete the required service activity at a cost of £0.142m. This has led to a net employees under spend of £0.197m.
- 33 There is a small forecast overspend of £14k on supplies and services and transport across the ACE and a small short fall in expected income of £2k.
- 34 The overall net position of £0.122m under spend has been earmarked for support required to implement the community buildings review which is currently out to consultation with stakeholders.
- 35 The outturn position for ACE does not reflect any utility running costs in connection with Community Buildings. This area of activity is currently being administered by ACE pending a corporate decision on where this activity is best managed within the authority. It is anticipated that if the activity remains within ACE that residual budgets within other services connected with the provision of community buildings will be transferred to ACE to finance this budget pressure.

Central Budgets

Interest Payable and Similar Charges - Capital Financing

- 36 The current forecast is for a £0.647m underspend. This saving is being achieved due to lower than forecast interest rates on loans and borrowing taking place later than estimated due to higher levels of cash balances than forecast.

Interest and Investment Income

- 37 The forecast of outturn is an overachievement of investment income of £0.685m which takes into account the higher than anticipated levels of cash balances held. This is due in the main to slower than expected use of reserves and capital expenditure.

New Homes Bonus

- 38 The Council has received £1.3m of New Homes Bonus Grant for 2011/12. This Grant is being built into the base budget for 2012/13. For 2011/12 it is proposed that this income is taken into the Council's General Reserve.

Earmarked Reserves Forecast

- 39 Appendix 4 provides further detail of the forecast use of Earmarked Reserves. Based on the latest forecast the position at the end of the year is estimated to be as follows:

	£m
Balance as at 1 April 2011	90.975
Less forecast use :	
Quarter 1	11.768
Add contribution to:	
Quarter 2	<u>-5.688</u>
Forecasted Balance as at 31 March 2012	<u>84.895</u>

Housing Revenue Account (HRA)

- 40 In overall terms in Quarter 2, there is no change in HRA balances and it is estimated that there will be a surplus in the year of £0.975m which will be used to support the capital programme and reduce borrowing in the run up to self financing.
- 41 In February 2011 when the 2011/12 budget was agreed, no information was available on the level of Decent Homes Backlog Funding from Government and the savings arising due to prudent assumptions being made on capital financing charges and debt levels. The Council received £18.6m of Decent Homes Backlog Funding and is receiving subsidy to support the interest payments on this borrowing. There is an overall saving of £0.601m on interest payments as shown in Appendix 5.
- 42 There is also an additional cost of rent rebates which are provided to council tenants and if these exceed a certain threshold set by Government, a contribution of the excess must be repaid to Government and the forecasted amount for 2011/12 is £0.302m.

Capital

Background

- 43 The General Fund (GF) capital budget for 2011/12 was set at £194.156m and was approved by Cabinet on 23 February 2011. Slippage from the 2010/11 capital programme was approved by Cabinet on 13 July 2011 amounting to £37.29m.
- 44 The Housing Revenue Account (HRA) budget was set at £25.245m with slippage of £0.71m from 2010/11.
- 45 The Member Officer Working Group (MOWG) has recently reviewed the capital programme taking into account further developments and analysis of changes and demands on resources.

Current Position

- 46 There have been further Member Officer Working Group (MOWG) meetings since the outturn report period to 30 June 2011. Service Groupings have

reviewed the capital programme and revisions recommended for approval include:

- Refurbishment works to Annand House - £0.200m
- backup office accommodation at Lanchester College - £0.300m

47 Further external grants and contributions have been confirmed:

- Durham Studio School – DCBC - £0.650m
- Minor Schemes in Regeneration and Economic Development - £0.287m
- East Durham Homes - £0.400m
- Esh Winning Play Area - £10k
- Outdoor Play Areas – £11k
- Playbuilder Phase 2 - £8k
- Westgate Play Area - £27k
- Highway Capitalised Maintenance - Surface Treatments - £0.650m

48 Further schemes approved financed by revenue contribution to capital include:

- Industrial Estates - £0.245m
- Town Centres - £20k
- Horticultural Poison Store - £21k
- Contaminated Land Contingency Fund - £4k
- Dangerous Headstones - Pelton Cemetery - £1k
- East Stanley Bowls - £11k

49 Scheme approved to be financed by earmarked capital receipts:

- Allotments - £0.216m

50 The table below summarises the recommended adjustments with the revised Capital Programme for 2011/12 for General Fund and HRA being £256.837m.

Service	Original Budget 2011/12	Slippage from 2010/11	Budget Revisions	Revised 2011/12 Base Budget	Reprofiling to/from future years	Revised 2011/12 Budget	Spend to end 30th Sept 2011
	£						
ACE	3,598	1,175	300	5,074	-3,070	2,003	466
AWH	4,912	636	150	5,698	-4,501	1,196	81
CYPS	82,454	11,699	51,356	145,510	-54,921	90,589	32,172
NEI	36,630	7,248	-10,987	32,891	3,667	36,558	11,354
RED	46,741	12,883	17,171	76,796	-9,169	67,626	14,676
RES	19,820	3,648	-1,363	22,106	-6,034	16,072	2,612
	-	-	-	-	-	-	-
Total GF	194,156	37,290	56,628	288,073	-74,029	214,045	61,360
HRA	25,245	708	14,839	40,792	2,000	42,792	14,710
Total GF and HRA	219,401	37,998	71,467	328,865	-72,029	256,837	76,070

51 The tables overleaf summarise the recommended financing of the proposed capital programme:

Financing – General Fund Capital Programme 2011/12

	Original Budget 2011/12	Slippage from 2010/11	Budget Revisions	Revised Budget 2011/12	Budget Reprofiling to/from future years	Revised Budget 2011/12
Grants & Conts	92,521	12,342	33,008	137,871	-26,092	111,778
Revenue and Reserves	2,005	170	4,758	6,933	-1,635	5,298
Capital Receipts	14,400	-	-	14,400	546	14,946
BSF Capital Receipts	1,200	-	-	1,200	-	1,200
Borrowing	84,030	24,778	18,862	127,670	-46,848	80,823
Total	194,156	37,290	56,628	288,073	-74,029	214,045

Financing – Housing Revenue Account Capital Programme 2011/12

	Original Budget 2011/12	Slippage from 2010/11	Budget Revisions	Revised Budget 2011/12	Reprofiling to/from future years	Revised Budget 2011/12
Grants & Conts	1,725	-	-	1,725	-200	1,525
Revenue and Reserves	18,756	-	1,094	19,850	-119	19,731
Capital Receipts	666	-	-154	512	-249	264
BSF Capital Receipts	-	-	-	-	-	-
Borrowing	4,097	708	13,899	18,704	2,568	21,272
Total	25,245	708	14,839	40,792	2,000	42,792

52 Detailed below are the service commentaries on the significant changes since June:

Children and Young People's Services

53 The CYPS Capital budget has a number of significant components that are available for different purposes. From the 2011/2012 financial year there was £11.7m of project slippage associated with the pace of spend on the BSF programme in East Durham, plus the 'hub' buildings for the 'One Point' Integrated Teams and 4 new primary schools.

54 The capital funds available at 1 April 2011 have been reprofiled to reflect latest planning and construction timelines and the planned spend over the next 3 financial years is set out below:-

2011/2012	£90.59m
2012/2013	£76.39m
2013/2014	£26.38m

55 New additions to the programme from 1 April 2011 were:

Short Breaks for Disabled Children	£0.32m
North Durham Academy	£33.42m
Consett Academy / Leisure Project	£43.80m
DfE Basic Need Grant	£3.80m
DfE Condition of School Buildings Grant	£9.80m

56 More recently further funds have been added to the programme:-

- A sum of £0.300m has been provided via DCC capital funds to support the development of extended Sixth Form provision at Lanchester St Bede's school. This is a project jointly funded with the Roman Catholic Diocese and is expected to be complete by

early in the new calendar year. There is a consequential benefit for the Council as former school premises in the centre of Lanchester are freed up for disposal.

- Durham Community Business College has made a successful application to become a Studio school and as a consequence, DfE has provided a capital grant of £0.650m to allow some building works to be undertaken associated with this initiative. It is expected around £0.325m of the grant will be spent in the current financial year.

57 The revised CYPS capital budget for 2011/12 has therefore risen to £90.589m. Spend to date is at £32.172m and the latest out-turn projection is expecting out-turn spending to be at £90.23m. In due course, a detailed report will be presented to the Capital Member Officer Working Group confirming latest spending profiles.

58 Most of the capital programme is funded via Government grant and as a consequence budget monitoring is undertaken against specific project areas. A commentary on the most significant parts of the programme is set out below.

Primary Capital and Modernisation – Total Budget £24.45m

Latest Budget Profile:-

	£m
2011/12	15.25
2012/13	8.14
2013/14	1.06

59 This part of the capital budget is predominantly focused on the construction of new primary school buildings. Most of the planned spend in 2011/12 is on new schools at Esh Winning and Brandon, with Greenland and Kirk Merrington to follow. Half way through the financial year project spend is expected to be around £14.8m by out-turn.

Basic Need – Total Budget of £4.35m

Latest Budget Profile:-

	£m
2011/12	2.55
2012/13	1.80

60 This capital budget is to enable primary schools to be provided with enough classroom capacity to meet demands within their locality. At present there are over 30 schools where projects are in various stages of planning and development. These projects require detailed discussion between the Local Authority and schools to ensure that they are integrated with other building works, where appropriate, and this can delay the construction phase. DfE introduced a new capital grant for 2011/12 and £3.8m of it, was earmarked for Basic Need, as it is a high Government priority. The expectation is that additional grant will be provided for the next 3 financial years but DfE had not

announced allocations by 30 September 2011. Latest analysis of spend indicates spend of £2.93m is expected by 31 March 2012.

Schools Capital/Condition Grant – Total Budget £9.83m

Latest Budget Profile:-

	£m
2011/12	3.7
2012/13	6.1

- 61 The new DfE grant also includes an element for major works to improve schools in the poorest condition. On the assumption that 3 further years allocations are on the horizon, it has been decided to press forward with some plans that were curtailed when BSF came to an end, as 3 schools are in a very poor condition and are not ideal for modern day curriculum delivery.
- 62 Planned projects will see major remodelling on one secondary school site at Spennymoor and the closure of Tudhoe Grange, a new build secondary school at Seaham and replacement of the 3 premises that comprise Trinity special schools. These are the top three priorities for this DfE grant, plus some major improvements to Elemore Hall Special School.
- 63 Most of the 2011/12 expenditure will be focused on the Spennymoor project. The range of work is so extensive that Cabinet has agreed to incorporate capital receipts from project associated land and property disposals into the capital budget plan and this will therefore need to be revised in due course.
- 64 In October 2011, Cabinet agreed to lodge an interest with DfE for new school buildings via a national PFI initiative and if this meets with success then the deployment of part of this grant may need to be revisited.

Structural Maintenance – DSG – 2011/2012 Budget £3.59m

- 65 From within a grant (Dedicated Schools Grant) provided for school running costs and certain support functions, a budget is set aside for “lumpy” building repair and maintenance costs such as roof replacements, electric rewiring, boiler plant replacement and asbestos removal. A full schedule of projects has been drawn up and it is expected that the budget will be fully spent during the year.

Schools Devolved Capital - 2011/12 - £ 9.3m

- 66 Grants are delegated to schools each year by DfE to meet the cost of Capital Repair and Maintenance works and ICT purchases. Decisions on priorities and management of these funds are matters for each school Governing Body. The £9.3m available represents £7.5m of slippage from previous years. School allocations are down by about 80% to £1.7m in 2011/12 due to a change in DfE priorities. Academy conversions will also see this budget reduce.

Aycliffe Secure Premises – Balance on Project Budget £4.59m

Latest Budget Profile:-

	£m
2011/12	4.47
2012/13	0.05
2013/14	0.07

- 67 The new Secure Unit has been operational since 1 August 2011.

Building Schools for the Future (BSF) – Wave 3 – Programme Budget £49.8m

Latest Budget Profile:-

	£m
2011/12	30.75
2012/13	17.02
2013/14	2.04

- 68 BSF funding implications are complex, depending on whether the PFI route or traditional design and build option is being utilised. In some cases, capital expenditure is incurred, in others PFI contractor payments will feature in the revenue budget.
- 69 The capital budget provides funds for Construction works and ICT costs at the East Durham schools in Wave 3 of the programme: Dene Community School of Technology, Easington Community Science College; Glen Dene; Peterlee St Bede's Catholic Comprehensive and Wellfield Community School.

Building Schools for the Future (BSF) Academies

- (i) North Durham – Budget £33.4m

Latest Budget Profile:-

	£m
2011/12	10.67
2012/13	18.29
2013/14	4.46

- (ii) Consett (including Leisure Provision) – Budget £43.8m

Latest Budget Profile:-

	£m
2011/12	0.1
2012/13	24.9
2013/14	18.8

- 70 Both these projects were approved following detailed discussion with DfE, post the terminating of the BSF programme. The North Durham project is at a more advanced stage. The Consett Academy will provide an integrated Academy/Leisure facility.

Catchgate Children's Home Replacement – 2011/2012 Budget £0.732m

- 71 Planning permission has been obtained for a site in Tanfield Lea, construction work has commenced and expected occupancy is by February 2012. It is still expected that the budget for this particular project will be underspent.

Diploma Exemplar and Rural Capital – 2011/2012 Budget £2.563m

- 72 DfE has provided capital grant that will, by 31 March 2012, allow the development of a manufacturing facility at Newton Aycliffe and extended diploma facilities in the west of the County. The final out-turn position is expected to be over budget by around £30k and a revenue contribution will be brought in to balance the budget.

Co-Location Fund – Durham Integrated Project - 2011/2012 Budget £5.262m

- 73 DfE provided £6.7m of capital grant for 2010/11 to enable the development of integrated, co-located locality teams within County Durham and development of service hubs for Children and Young People aged 5 – 19. The capital funding will allow three buildings to be refurbished and new build at seven other localities. In total there are ten projects allowing projects at Seaham, Stanley, Bishop Auckland, Ushaw Moor, Consett, Chester le Street, Ferryhill, Newton Aycliffe, Barnard Castle and Peterlee. NHS County Durham have contributed £0.700m to the development of the Young Person's Lifestyle Centre (YPLC) at Chester le Street. Individual project budgets range from just under £0.5m to £1.4m. There have been lots of negotiations relating to optimum site locations and associated feasibility studies, as a consequence fee costs are now expected to be higher and the ICT and telephony costs are also being scrutinised. It is probable that this collective group of projects will over run the available budget, once more detail is to hand, alternative capital or revenue funding sources will need to be explored, particularly where projects improve school premises.

Short Breaks for Disabled Children – 2011/2012 Budget £0.325m

- 74 In the current financial year, DfE announced allocations of capital grant that are intended to fund projects which will broaden the range of facilities available to provide Short Breaks for Disabled Children. It is expected that some of this grant will be invested in DCC Leisure Services provision.

Adults, Wellbeing and Health

- 75 As reported in the Quarter 1 outturn projections, following Cabinet approval of slippage from 2010/11, new investment and reprofiling of capital schemes across the MTFP period, the AWH Capital Budget for 2011/12 was revised to £1.195m
- 76 No further variations are reported this quarter and the AWH capital programme is currently reported on budget at £1.195m
- 77 One bid for additional in-year investment of £0.15m to introduce digital projection facilities at the Gala Cinema was approved by Cabinet on 22 September 2011.

- 78 The AWH capital programme for 2011/12 to 2014/15 has also been re-examined taking into account current progress, design, work programming, planning and other considerations to re-profile these budgets, where necessary.

Neighbourhood Services

- 79 The original 2011/12 Capital Programme for Neighbourhood Services was £36.630m. This was subsequently increased by carry over from 2010/11 totalling £7.249m to give a revised budget of £43.879m.
- 80 The programme was then adjusted to take into account re-profiling of spend across future years and an increase in the base budget (funded via a transfer from corporate capital contingencies), relating to the Twin Bin system.
- 81 At various meetings of the MOWG during this financial year, recommended approval to Cabinet was given to increase the Capital budget to take account of a number of budget transfers that have been agreed with other Service Groupings, along with the receipt of additional grants and contributions that were available to enhance the Capital Budget.
- 82 Should Cabinet agree, this would result in a revised 2011/12 capital budget for Neighbourhood Services of £36.558m
- 83 At this stage it is anticipated that all capital budgets within Neighbourhoods will be fully spent, apart from the following:
- Within Sport and Leisure, there is a projected under spend of £0.259m. This is mainly due to an under spend at Hardwick Park of £0.437m (attributed to delays in design work), which is offset by additional expenditure on Play builder and Play area schemes amounting to £0.142m. This additional expenditure will be funded from an Area Action Partnership (AAP) contribution of £90k and further contributions of £52k due to be received in relation to Eggleston and Quarrington Hill Play Builder schemes. A report will be presented to MOWG requesting an adjustment (grossing up) to the budget in relation to these items. Finally it is anticipated that there will be an over spend on works at the Louisa Centre, Stanley of £38k. This will be funded from savings elsewhere in the capital programme.
 - Direct Services is forecasting an under spend of £0.684m. This is due to a projected under spend on the Oracle Projects scheme (£0.750m), and this under spend will be requested to carry forward to 2012/13. In addition there is a projected over spend on the refurbishment of Barnard Castle toilets £66k but this will be funded from AAP and Members contributions that will be reported to a future MOWG in order to gross up the budget.
 - Technical Services are reporting an over spend of £0.824m relating to additional expenditure on highways schemes but this will be financed from the AAP reserves carried into 2011/12. Again this will be reported to the next MOWG for agreement to gross up the budget.

- 84 Prior to the budget adjustments being approved by MOWG and then Cabinet, the Neighbourhoods Capital programme is forecasting a £0.119m under spend at this stage.

Regeneration and Economic Development

- 85 The 2011/12 RED General Fund Capital Programme, as agreed by Council on 23 February 2011, was £46.741m and this was subsequently increased by £12.883m that was carried over from 2010/11, giving a total revised budget of £59.624m.
- 86 The programme has subsequently been revised to take into account re-profiling of spend across future years, increases in the base budget from additional grants and contributions and budget transfers agreed with other Service Groupings. The result is that the 2011/12 capital budget has increased by £8.003m to £67.627m.
- 87 The budget revisions include the following:
- Responsibility for the £2m Broadband budget has been transferred to the Resources service grouping, to reflect the corporate nature of the proposed developments that will be funded under this project.
 - The budget for the Durham City Vision (DCV) Partnership has been increased by £4.862m, supported by funds from the Single Programme operated by One North East (ONE) and from the Durham Villages Regeneration Company, a partnership between the Council and Keepmoat Homes. The main schemes are the Heart of the City project to regenerate the Market Place and Vennels and the development of the World Heritage Site Visitor Centre at Owengate.
 - The Council's Disabled Facilities Grant budget has been supplemented by a government grant allocation of £2.340m.
 - Responsibility for the £2m budget for energy efficiency measures has been transferred from the Resources service grouping. The initiatives include Away from G (£0.500m), Biomass Boilers (£0.250m), Gas Boiler Replacement (£0.250m) and an Energy Efficiency Fund (£1m) to be invested in self-financing initiatives. The energy efficiency budget has been further increased by the £6m agreed by Council on 23 March to fund investment in Renewable Energy Technologies.
 - The Town Centres budget consists of over 20 schemes covering targeted retail improvements grants, public realm improvements and acquisition of strategic properties in shopping areas across the county. The programme has been reviewed and £2.249m has been reprofiled to reflect anticipated progress.
 - Transit 15 is a project that aims to provide better accessibility for people through improved public transport along a number of corridors in the county. There has been lengthy consultation on each of the schemes that make up this initiative. Where a scheme requires a Traffic Regulation Order (TRO), a further formal

consultation affords opponents another opportunity to delay the scheme. As a consequence of this highly responsive approach, it is anticipated that £2m will need to be carried forward into 2012/13.

Resources

- 88 The original 2011/12 Capital Programme for Resources was £19.820m. This was subsequently increased by slippage from 2010/11 of £3.649m approved by MOWG and Cabinet. Budget revisions were agreed which reduced the 2011/12 capital programme by £1.363m. Budgets totalling £6.034m have also been reprofiled to future years, which resulted in a revised Resources capital budget for 2011/12 of £16.072m.
- 89 Total expenditure in Resources to 30 September 2011 is £2.612m. The current forecast for expenditure in 2011/12 is £12.677m against a revised budget of £16.072m.
- 90 A summary of each division of service within Resources is given below:

Asset Management

- The original 2011/12 capital budget for assets was £13.497m.
- Slippage from 2010/11 totals £3.541m.
- £3.225m has been transferred to other services;
- £0.200m has been allocated to Assets from reserves.
- £4.034m has been reprogrammed into 2012/13.
- These alterations have resulted in a total Assets capital budget of £9.979m. Forecast expenditure in 2011/12 is £6.584m which will result in an underspend of £3.395m in the Asset Management area.

Finance – Replacement of the Revenues and Benefits System

- The original capital budget for Finance was £1.200m. A budget transfer was made to 2010/11 of £0.128m from 2011/12. The revised capital budget is £1.072m. This project is scheduled for completion in 2011/12.

ICT Services

- The original capital budget for ICT Services was £5.123m.
- Slippage from 2010/11 totals £0.108m;
- £0.210m was transferred to 2010/11
- A £2.0m fast speed Broadband scheme has been transferred from RED to Resources as detailed in 'Digital Durham' below.
- The Broadband scheme has been reprofiled to 2012/13
- This results in a revised 2011/12 budget for ICT of £5.021m. All remaining projects in this area are forecast to spend in line with the respective ICT budget allocation in 2011/12.

Digital Durham

- A report was presented to Cabinet on 22 September relating to the Digital Durham programme and bid for funding to Broadband Delivery UK (BDUK).
- Durham and Gateshead have been allocated an indicative amount of £7.8m in BDUK funding. Based on this indicative sum, the Council has been advised that £7.8m of match funding is required from the Digital Durham partnership for the period to 31 March 2015, of which a £2m Broadband project has been identified as mentioned in the ICT Services paragraph detailed above. This £2m budget has been transferred to Resources from RED and MOWG is recommending that the remaining balance within the corporate capital contingency of £2.850m should also be provided to give a total match funding contingency of £4.850m. This is less than the required £7.8m but is a substantial commitment. The option to increase our match funding from European Regional Development Fund (ERDF) is being explored.

91 Total revised 2011/12 budget for Resources is therefore £16.072m. Total expenditure up to 30 September 2011 is £2.612m and the current forecast of outturn expenditure in 2011/12 is £12.677m.

Assistant Chief Executives (ACE)

92 ACE capital programme makes a significant contribution to local communities within the county, funding Local Elected Members 'Area Budgets' and facilitating the review and development of community buildings within the Area.

93 The ACE capital programme, as approved by Council, is £3.598m. However, this needs to be adjusted for slippage from 2010/11 of £1.176m plus additional funding secured from Resources (Assets) of £0.300m in connection with the Communities Building review.

94 The MOWG meeting of 5 October agreed to recommend to cabinet that £3.071m should be reprofiled into 2012/13 with £2.150m relating to Assets to Communities and £0.921m relating to Members Neighbourhoods Budgets, leaving a total revised capital budget of £2.003m. Total capital expenditure in ACE to 30 September 2011 was £0.466m

95 Taking into account slippage from 2010/11, and reprofiling to 2012/13, the total budget for the Members Neighbourhoods Budgets is £2.003m. Expenditure of £0.466m has been incurred to date and it is anticipated that £1.739m of this budget will be spent in 2011/12. A report will be presented to MOWG to request further profiling of £0.264m into 2012/13.

Housing Revenue Account (HRA) Capital Programme

96 The 2011/12 RED Housing Revenue Account Capital Programme, as agreed by Council on 23 February 2011, was £25.245m and this was subsequently increased by £0.708m that was carried over from 2010/11, giving a total revised budget of £25.953m.

- 97 The programme has subsequently been revised to take into account re-profiling of spend across future years and base budget changes for grants and contributions, that have resulted in an increase in the 2011/12 capital budget of £16.839m to £42.792m.
- 98 The budget revisions include the following:
- The Council have been notified of confirmed Decent Homes Backlog funding of £18.6m for 2011/12, with £2.6m for Dale and Valley Homes and £16.0m for East Durham Homes.
 - The second phase of the New Build Scheme, at Crook, has been reprofiled and £2.0m is now expected to be spent in the early part of 2012/13.
- 99 Actual spend up to 30 September 2011 amounts to £29.386m – consisting of £14.676m for the General Fund and £14.710m for the HRA. The programme has been re-profiled by service managers and the outturn is expected to be in line with the budget.

Recommendations

- 100 It is recommended that Cabinet:
- Approve the Revised Net Expenditure Budget of £442.656m for 2011/12
 - Approve the Revised Capital Budget of £256.837m for 2011/12
 - Note the forecast use of Earmarked Reserves in 2011/12
 - Note the forecast Cash Limit underspend reserves in 2011/12.
 - Note the forecasted outturn position for the Housing Revenue Account in 2011/12.

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Appendix 1: Implications

Finance -

The report details the 2011/12 forecast of outturn position for Revenue and Capital for both the general fund and the housing revenue account and details the forecast movement on Reserve.

Staffing -

None

Risk -

None

Equality and Diversity / Public Sector Equality Duty -

None

Accommodation -

None

Crime and Disorder -

None

Human Rights -

None

Consultation -

None

Procurement -

None

Disability Issues -

None

Legal Implications -

None

Appendix 2 (continued): Movement On Reserves 2011/12

	Original Budget	Revised Budget	Projected Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000
General Reserve				
Budgetted Use of General Reserve				
Budgetted Use of General Reserve	0	0	0	0
Transfer to/from General Reserve				
Outside Cash Limit Service Under/Overspend	0	0	0	0
Under/Overspends on Corporate Financing Budgets	0	0	0	0
Contingencies		0	0	0
Capital charges		0	-0	-0
Interest and Investment income		0	-685	-685
Interest payable and similar charges		0	-647	-647
New Homes Bonus		0	-1,300	-1,300
			0	0
	0	0	-2,632	-2,632
Service Under / Overspends				
Assistant Chief Executive	0	0	-122	-122
Adult Wellbeing and Health	0	0	-820	-820
Children and Young People	0	0	-611	-611
Neighbourhood Services	0	0	501	501
Regeneration and Economic Development Resources	0	0	-379	-379
	0	0	-4	-4
Non Budgetted Contribution to Cash Limit Reserves	0	0	-1,435	-1,435
Use of / Contribution to Cash Limit Reserves				
Assistant Chief Executive	0	0	126	126
Adult Wellbeing and Health	0	0	0	0
Children and Young People	933	933	933	0
Neighbourhood Services	0	0	0	0
Regeneration and Economic Development Resources	0	0	0	0
	0	0	635	635
Budget Revisions for use of Cash Limit Reserves	933	933	1,694	761
Movement on General Reserve and Cash Limit Reserves	933	933	-2,373	-3,306
Earmarked Reserves				
Budgetted Use of Earmarked Reserves				
Children and Young People - Planned Use of Cash Limit Reserve	0	0	0	0
Regeneration and Economic Development	260	260	260	0
Budgetted Use of Earmarked Reserves	260	260	260	0
In Year use of Reserves- including Cash Limit Reserves				
Assistant Chief Executive	0	2,550	-822	-3,372
Adult Wellbeing and Health	0	0	-2,619	-2,619
Children and Young People	0	2,802	3,376	574
Neighbourhood Services	0	4,618	4,121	-497
Regeneration and Economic Development Resources	0	1,170	2,701	1,531
Contingencies	0	895	1,304	409
	0	0	-2,500	-2,500
Movement on Earmarked Reserves	260	12,295	5,821	-6,474
Movement on Reserves	1,193	13,228	3,448	-9,780

Appendix 3: Forecasted Revenue Summary by Expenditure / Income for the period to 31 March 2012

	Original Budget	Revised Budget	Proposed Budget Revisions	Agreed Budget	Service Groupings Forecast of Outturn	Sums Outside the Cash Limit	Contribution to / Use of Reserves	Revised Service Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	573,681	580,630	127	580,757	578,917	-203	-2,571	576,143	-4,614
Premises	51,066	52,347	-299	52,048	53,022	-142	0	52,880	831
Transport	54,173	56,091	739	56,829	57,646	0	-63	57,583	754
Supplies & Services	144,590	146,372	3,630	150,002	143,953	-115	1,645	145,483	-4,519
Agency & Contracted	211,392	216,640	-2,049	214,590	229,347	50	-324	229,073	14,482
Transfer Payments	231,690	235,122	313	235,435	236,424	0	1,286	237,710	2,275
Central Costs	86,329	88,421	-298	88,123	98,691	0	0	98,691	10,568
Other	7,903	7,903	0	7,903	-3	0	4,150	4,147	-3,756
Capital Charges	49,020	49,914	844	50,758	48,286	0	0	48,286	-2,472
GROSS EXPENDITURE	1,409,844	1,433,440	3,006	1,436,446	1,446,281	-410	4,123	1,449,995	13,548
Income									
- Specific Grants	640,387	646,042	3,164	649,206	646,922	0	910	647,832	1,374
- Other Grants & conts	24,854	29,134	-230	28,904	37,579	0	0	37,579	-8,676
- Sales	5,743	5,518	661	6,179	6,535	0	0	6,535	-356
- Fees & charges	98,359	100,905	2,928	103,833	105,512	0	0	105,512	-1,678
- Recharges	170,920	171,258	-3,524	167,734	175,504	0	0	175,504	-7,770
- Other	19,468	15,989	2,507	18,496	16,374	0	0	16,374	2,122
Total Income	959,731	968,846	5,506	974,352	988,426	0	910	989,336	-14,983
NET EXPENDITURE	450,113	464,594	-2,500	462,094	457,856	-410	3,213	460,659	-1,435

Appendix 4: Earmarked Reserves Position as at 30 September 2011

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	2010/11 CLOSING BALANCE	USE OF EARMARKED RESERVE IN 2011/12		2011/12 CLOSING BALANCE
			Q1	Q2	
		£,000	£,000	£,000	£,000
Earmarked Reserves					
AAP Reserve	ACE	1,104	1,104	-1,286	1,286
Members Initiative Fund Reserve	ACE	51	51		0
Members Neighbourhood Initiative Reserve	ACE	1,259	1,259	-2,086	2,086
Regeneration & Communities	ACE	1,880		30	1,850
Communities for Health	AWH	895		425	470
Community Safety Development	AWH	22			22
Book Fund Reserve	AWH	41			41
Carers	AWH	25			25
Community Safety	AWH	53			53
Corporate Reserve	AWH	1			1
Culture and Leisure - Other Services	AWH	133		82	51
Culture and Leisure	AWH	97			97
Demographic Pressures	AWH	0		-4,150	4,150
DLI Bequests	AWH	90			90
Health and Wellbeing	AWH	382		165	217
Heritage Development	AWH	21			21
Innovation	AWH	54		54	0
Outreach Health	AWH	40		40	0
Preventative Technology	AWH	303			303
Health Lifecheck/Initiatives	AWH/NS	194		84	110
Corporate Procurement Reserve	Corp Res	565	42	94	429
Corporate Reserve	Corp Res	300	29	66	205
DWP ATLAS Grant Reserve	Corp Res	35	35		0
DWP IB(IS) Reassessment Reserve	Corp Res	35	35		0
DWP Local Housing Allowance Grant Reserve	Corp Res	16	16		0
Elections Reserve	Corp Res	0	0	-800	800
Housing Benefits Subsidy	Corp Res	0	0	-1,800	1,800
Land Search Fees	Corp Res	0	0	-1,000	1,000
Aycliffe Young People's Centre	CYPS	300			300
Continuing Professional Development	CYPS	278			278
Education Reserve	CYPS	3,652	455	127	3,070
Leisure Reserves - CYPS	CYPS	52			52
LEP Reserve	CYPS	80			80
Special Projects	CYPS	60			60
Youth Forum	CYPS	64			64
Schools' Revenue Balance	CYPS	15,740			15,740
Schools' Unspent Grants	CYPS	639			639
AAP - Neighbourhoods Reserve	NS	824	824		0
Building Services Defects Liability Reserve	NS	612			612
Chester-le-Street Sports Development Reserve	NS	184	31	15	138
CPAL Reserve	NS	46		-154	200
Countywide Funding Reserve	NS	251		-34	285
Durham City Sports Development Reserve	NS	76		4	72
Easington Sports Development Reserve	NS	6		-49	55
Neighbourhoods Education and Enforcement	NS	45	45		0
NETSA	NS	28			28
Registered Traders Reserve	NS	12			12
Sedgefield Sports Development Reserve	NS	160	12	158	-10
Sports and Leisure - Big Lottery Grant	NS	24	3		21
Sports and Leisure - British Coal Dowry	NS	26			26
Sports and Leisure - Hawthorn to Ryhope Railway	NS	15			15
Sports and Leisure - Lanchester Valley Railway	NS	200	200		0
TAMP Funding Reserve	NS	515	150		365
Teesdale Sports Development Reserve	NS	78		-6	84
Wear Valley DCMS (Glenholme)	NS	23			23
Wear Valley IFU Reserve	NS	9	9		0
Wear Valley Sports Development Reserve	NS	115		1	114
Dowry	NS	465	20		445
ABG Reserve	RED	3,542	235	2,542	765
Commuted Sums	RED	83			83
Derwentside Business Development	RED	247			247
Derwentside Training	RED	240	30		210
Durham City Vision	RED	119	35		84
East Durham Business Service Reserve	RED	223			223
East Shore Village	RED	18			18
Empty Homes	RED	25		20	5
Family Intervention Project	RED	283		82	201
Growth Point	RED	148			148
Housing Solutions	RED	540			540
LEGI Reserve	RED	1,004	511	241	252

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	2010/11 CLOSING BALANCE	USE OF EARMARKED RESERVE IN 2011/12		2011/12 CLOSING BALANCE
			Q1	Q2	
		£,000	£,000	£,000	£,000
LSVT Reserve	RED	133			133
North Pennines	RED	169			169
Planning	RED	1,901	260	250	1,391
Prevention Fund	RED	37			37
Regeneration Reserve	RED	578	30	-30	578
RED Regeneration Reserve	RED	470			470
Restructure Reserve	RED	0		-500	500
Seaside Town Reserve	RED	200			200
Section 106 Agreements	RED	-83			-83
Social Housing Fraud	RED	50			50
Cabinet Reserve	Strat Finance	498			498
Equal Pay Reserve	Strat Finance	3,473	65		3,408
Insurance Reserve	Strat Finance	11,284		-532	11,816
Performance Reward Grant Reserve	Strat Finance	1,694	167	15	1,512
MTFP Redundancy and Early Retirement Reserve	Strat Finance	19,798	6,642	1,458	11,698
Sub-Total Earmarked Reserves		78,849	12,295	-6,474	73,028
Cash Limit Reserves					
Assistant Chief Executive		894	-61	65	890
Adult Wellbeing and Health		5,423	-2,900	2,080	6,243
Children & Young People		1,253	525	-203	931
Neighbourhood Services		1,292	1,211	-710	791
Regeneration and Economic Dev		2,391	-279	-100	2,770
Resources		873	977	-346	242
Sub-Total Cash Limit Reserves		12,126	-527	786	11,867
Total		90,975	11,768	-5,688	84,895

Appendix 5: Forecasted Housing Revenue Account Outturn to 31 March 2012

Year to Date Budget	Year to Date Actual	Variance		Annual Budget	Projected Outturn	Forecasted Variance
£000	£000	£000		£000	£000	£000
			Income			
-28,437	-28,499	62	Dwelling Rents	-56,611	-56,714	103
			Non Dwelling Rents			
-386	-386	0	- Garages [net of voids]	-769	-825	56
-45	-42	-3	- Shops/Other	-96	-96	0
-8	13	-21	Charges for Services & Facilities - Repairs & Maintenance	-20	-20	0
-25	-21	-4	Charges for Services & Facilities - S & M - Special	-46	-35	-11
0	0	0	Contributions towards Expenditure	0	-800	800
-28,901	-28,935	34	Total Income	-57,542	-58,490	948
			Expenditure			
9,133	9,626	-493	ALMO Management Fee + Outsourced Contract	18,266	18,266	0
2,078	2,062	16	Repairs & Maintenance	4,156	4,156	0
2,296	1,432	864	Supervision & Management - General	4,592	4,894	-302
533	384	149	Supervision & Management - Special	1,066	992	74
21	0	21	Rents, Rates, Taxes & other Charges	42	42	0
2,257	1,758	499	Negative HRA Subsidy	4,514	4,220	294
5,848	5,848	0	Depreciation & Impairment of fixed assets [Net MRA Adj]	11,696	11,696	0
125	125	0	Increase/Decrease in bad debt provision	250	250	0
60	60	0	Debt Management Costs	120	120	0
22,351	21,295	1,056	Total Expenditure	44,702	44,636	66
-6,550	-7,640	1,090	Net cost of HRA services per Authority I&E Account	-12,840	-13,854	1,014
543	543	0	HRA services share of Corporate & Democratic Core	1,085	1,085	0
280	280	0	HRA share of other amounts included in the whole authority			
			Net Cost of services but not allocated to specific services	560	400	160
-5,727	-6,817	1,090	Net cost of HRA Services	-11,195	-12,369	1,174
3,312	3,012	300	Interest Payable & Similar Charges	6,624	6,023	601
2,330	3,217	-887	Direct Revenue Financing [Balancing Item on HRA]	4,660	6,435	-1,775
-45	-45	0	Interest & Investment Income	-89	-89	0
-130	-633	503	[Surplus] / Deficit for the year on HRA services	0	0	0