

Cabinet

17 November 2021



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

Ordinary Decision

Report of Corporate Management Team

Paul Darby, Corporate Director of Resources

Councillor Richard Bell, Portfolio Holder for Finance

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide Cabinet with updated information on the:
 - (a) forecast revenue and capital outturn for 2021/22, based on the position to 30 September 2021;
 - (b) forecast for the council tax and business rates collection fund position at 31 March 2022, based on the position to 30 September 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, making forecasting the council's outturn position even more challenging than usual.
- 6 In addition to the general financial uncertainty during 2021/22, the longer term financial impact of the pandemic beyond this year is also uncertain 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 various Business Rates Grants Support Scheme(s); the Council Tax Hardship Support Schemes; Test and Trace Payments; the Winter Support Payments Scheme; COVID-19 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 At this stage of the year it is forecast that there will be a small net in year surplus on the collection fund for the council of £0.879 million after taking into account Section 31 grant receivable. Taking into account the brought forward position from 2020/21 and including the phasing of collection fund deficits over three years there is a total forecast deficit on the collection fund of £0.963 million. 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.
- 9 The government has provided 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.
- 10 In addition, the government has also extended the Sales, Fees and Charges 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. The council has submitted a claim for circa £1.6 million from the scheme for 2021/22.

- 11 Based on the position to 30 September 2021 service groupings are forecasting a net overspend of £11.778 million before any adjustment for COVID-19 related items. This net overspend position mainly arises from additional expenditure and loss of income associated with the COVID-19 outbreak of £24.182 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 £7.528 million – giving a net COVID-19 related position of a £16.654 million overspend. When this is excluded there is a forecast cash limit underspend of £4.876 million across all service groupings.
- 12 The forecast COVID-19 overspending across the various service groupings is fully offset by the circa £17.2 million the council expects to receive from the government to cover the financial impact of the pandemic. At this stage, net COVID-19 costs are £0.5 million below the grant funding the council expects to receive.
- 13 Overall it is estimated that the council's 2021/22 budget will be underspent by £8.427 million, representing 1.8% of the net expenditure budget of £468.139 million.
- 14 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 ongoing impact of COVID-19 following the lifting restrictions at the beginning of quarter two.
- 15 A developing budget pressure relates to hyper inflationary pressures in the energy markets. The additional costs associated with energy price uplifts can be managed within the general contingency budget but this position will need to be kept under review. A further risk relates to pay inflation, where the trade unions have not accepted the employers 1.75% pay offer and are to ballot for industrial action. Broader inflationary pressures will need to continue to be managed within service cash limits.
- 16 There will potentially be a range of interventions required by the council and ongoing impacts post pandemic that as yet have not been quantified. The Cash Limit and General Reserves will potentially be required to meet any shortfall that ultimately arises in this regard whilst longer term strategies are implemented.
- 17 In terms of service grouping cash limits, the projected cash limit underspend of £4.876 million is around 1.04% of the cash limit budgets.
- 18 At quarter one, Children and Young People's Services were forecasting an overspend of £4.754 million whilst Adult and Health Services were forecasting an underspend of £3.886 million. On 15 September 2021, Cabinet agreed to a 2021/22 base budget transfer of £4.5 million from

Adult and Health Services to Children and Young People's Services which would also be included in the base budget for 2022/23. The quarter two forecast of outturn, indicates a cash limit underspend of £2.35 million for AHS and a cash limit underspend of £1.6 million for CYPS after this budget transfer has been actioned.

- 19 In terms of sums outside the cash limit, there is a forecast underspend of £3.551 million. This position will be kept under careful review, especially in relation to additional costs and loss of income linked to the ongoing impact of COVID-19 and from any further inflationary pressures.
- 20 Total earmarked and cash limit reserves (excluding school reserves) are forecast to reduce by £36.559 million in 2021/22, from £245.532 million to £208.973 million. The forecast at quarter one indicated that total earmarked and cash limit reserves (excluding school reserves) were forecast to reduce by £47.077 million in 2021/22, to £198.455 million.
- 21 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 13 October 2021 highlighted ongoing budget concerns for the council with a forecast savings shortfall of £45.7 million over the 2022/23 to 2025/26 period, with the delivery of further savings becoming ever more challenging to achieve.
- 22 The projected capital outturn this year is £199.419 million, with the capital budgets having been augmented with reprofiled budget from underspending against the 2020/21 capital programme.
- 23 To the end of quarter two, the council has delivered savings totalling £4.476 million, which is 84% 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

- 24 It is recommended that Cabinet:
 - (a) note the council's overall financial position for 2021/22 and the continuing uncertainty associated with the outturn forecast resulting from the continuing impact of COVID-19 as set out in the report;
 - (b) agree the proposed 'sums outside the cash limit' for approval as set out in the report;

- (c) agree the revenue and capital budget adjustments outlined in the report;
- (d) note the forecast use of earmarked reserves in year;
- (e) note the forecast end of year position for the cash limit and general reserves;
- (f) note the additional costs and income loss faced as a result of COVID-19 which is offset by additional grant funding provided by government;
- (g) note the emerging inflationary pressures which it is forecast can be managed within general contingencies and cash limit reserves;
- (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 to 30 September 2021 against the 2021/22 targets and the total savings that will have been delivered since 2011.

Background

- 25 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.
- 26 On 13 October 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 £45.7 million over the 2022/23 to 2025/26 period, with the delivery of further savings becoming ever more challenging to achieve.
- 27 The constitution requires that the Chief Finance Officer must report to Cabinet on the overall council budget monitoring position on a quarterly basis.
- 28 This report provides a forecast of the revenue and capital outturn for 2021/22, based upon expenditure and income up to 30 September 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 second report on forecast financial performance against the 2021/22 budgets this financial year.
- 29 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

- 30 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.
- 31 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.
- 32 The longer term financial impact of the pandemic beyond this year are uncertain at this stage. The risk in this regard will be considered and assessed in future MTFP(12) Cabinet reports.

- 33 During 2020/21 the council implemented a range of national support schemes at short notice, some of which have continued into 2021/22. These included the various Business Rates Grants Support Scheme(s); the Council Tax Hardship Support Schemes; Test and Trace Payments; the Winter Support Payments Scheme; COVID-19 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.
- 34 In 2021/22 the council continues to face 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.
- 35 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.
- 36 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 September 2021

- 37 A number of 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).

38 The following table compares the forecast of outturn with the revised budget. Further detail is provided in Appendices 2 and 3.

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	128,664	125,327	-3,337
Chief Executive's Office	1,381	0	0	0
Children and Young People's Services	133,876	150,517	150,705	188
Neighbourhoods and Climate Change	105,731	109,278	115,376	6,098
Regeneration, Economy and Growth	49,630	54,077	61,441	7,364
Resources	21,425	27,460	28,925	1,465
Cash Limit Position	445,661	469,996	481,774	11,778
Contingencies	10,337	8,494	8,494	0
Corporate Costs	4,378	1,660	1,697	37
NET COST OF SERVICES	460,376	480,150	491,965	11,815
Capital charges	-62,797	-62,797	-62,797	0
DSG deficit reserve adjustment	0	-1,455	-1,455	0
Interest and Investment income	-2,900	-2,900	-3,056	-156
Interest payable and similar charges	38,416	39,045	37,795	-1,250
Levies	16,087	16,096	16,096	0
Net Expenditure	449,182	468,139	478,548	10,409
Funded By:				
Council tax	-241,266	-241,266	-241,266	0
Use of earmarked reserves	-7,957	-27,835	-27,835	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	-13,055	-1,640
Adult/Childrens Pressures Grant	-22,888	-22,888	-22,888	0
Forecast contribution to/from (-) Cash Limit Reserve	-94	827	5,703	4,876
Forecast contribution to/from (-) General Reserves	0	0	3,551	3,551
TOTAL	0	0	0	0

39 The above table identifies a forecast net underspend of £8.427 million, representing 1.8% of the net expenditure budget of £468.139 million. There is a forecast cash limit underspend of £4.876 million (1.04%) and a forecast General Fund underspend of £3.551 million. The cash limit position excludes the impact of COVID-19 which is being managed corporately.

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 expects to receive £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. Additional sums in relation to energy inflation will also need to be drawn from contingencies as the year progresses and the sums required become more certain. The following sums are deemed to be outside of service grouping cash limits.

Service Grouping	Proposal	Amount £ million
REG	Property Services Inspections	0.147
REG	Sniperley survey works	0.035
TOTAL		0.182

- 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.

Type of Reserve	Opening Balance as at 1 April 2021	Budgeted use at 1 April 2021	Movement during 2021/22	2021/22 Forecast of Outturn
	£ million	£ million	£ million	£ million
Service Grouping Cash Limit				
Adult and Health Services	-10.451		-2.225	-12.676
Chief Executive's Office	-0.135		0.135	0.000
Children and Young People's Services	0.000		-1.607	-1.607
Neighbourhoods and Climate Change	-1.294		0.299	-0.995
Regeneration, Economy and Growth	-1.431		0.187	-1.244
Resources	-2.462	0.094	-0.400	-2.768
Total Cash Limit Reserve	-15.773	0.094	-3.611	-19.290
General Reserve	-26.153	0.000	-3.551	-29.704

- 43 At quarter one CYPS were forecasting a £4.754 million overspend and AHS were forecasting a £3.886 million underspend. A review of these budget areas determined that a 2021/22 base budget transfer was appropriate, which would also be included in the 2022/23 base budget. Cabinet agreed this transfer on 15 September 2021. A budget transfer of £4.5 million in quarter two has therefore been actioned between the service groupings.

- 44 The forecast cash limit and general reserves position is a prudent one given the significant ongoing 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.
- 45 On 13 October 2021 Cabinet considered a further updated Medium Term Financial Plan forecast (MTFP12) covering the period 2022/23 to 2025/26, building on the initial report considered in July. The MTFP(12) report highlights ongoing budget concerns for the council with a forecast savings shortfall of £45.7 million over the 2022/23 to 2025/26 period, with the delivery of further savings becoming ever more challenging to achieve.
- 46 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.
- 47 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

- 48 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 £2.4 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 £5.5 million** – a range of additional costs are being incurred, such as increased waste tonnages which remain at very high levels compared to pre-COVID-19 levels, costs associated with the continuing challenges

in the market for recycling materials following the pandemic and costs associated with reopening household waste recycling centres;

- (c) **Car Park Income £0.6 million** – reduced volume of traffic in town centres has reduced income levels;
- (d) **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;
- (e) **Leisure Income £3.6 million** – the closure and restrictions on access to facilities is having an ongoing impact on income;
- (f) **Aycliffe Secure £1.1 million** – reduced income due to social distancing requirements resulting in reduced occupancy within the facility;
- (g) **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.

49 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.

50 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.

51 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.

52 Based on the position to 30 September 2021 service groupings are forecasting a net overspend of £11.778 million before any adjustment for COVID-19 related items. This net overspend position mainly arises from additional expenditure and loss of income associated with the COVID-19 outbreak of £24.182 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 £7.528 million – giving a net COVID-19 related position of a £16.654 million overspend. When this is excluded there is a forecast cash limit underspend of £4.876 million across all service groupings.

- 53 The forecast COVID-19 overspending across the various service groupings is fully offset by the circa £17.2 million the council expects to receive from the government to cover the financial impact of the pandemic. At this stage, net COVID-19 costs are £0.5 million below the grant funding the council expects to receive.

Cash Limit Position

- 54 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.

- 55 In quarter 2 the former Chief Executive service grouping has been absorbed into REG and Resources service groupings.

Adult and Health Services (AHS)

- 56 The 2021/22 updated projected outturn for AHS is a cash limit underspend of £2.350 million, representing circa 1.8% of the total budget for AHS. This compares with a cash limit underspend at quarter one of £3.886 million. The revised position factors in the in year £4.5 million budget transfer to CYPS.

- 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 £0.975 million;
- (b) net spend on adult care packages is £1.375 million under budget. This area of spend is being closely monitored to assess the impact of COVID-19, which has seen a reduction in care home

placements but an increase in domiciliary care, 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 £3.026 million of additional costs and lost income relating to COVID-19 and £4.013 million of COVID-19 related underspends.

60 In addition, a net £0.450 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 £0.261 million Adult Social Care reserve to fund temporary staffing and short term support;
- (b) use of £0.189 million Public Health reserves for Public Health projects;
- (c) The following budget transfers were actioned during quarter 2:
 - (i) Partnership and Engagement Team to CYPS £30,000;
 - (ii) Transfer to CYPS as proposed by Cabinet £4.5 million;
 - (iii) Local Safeguarding Adults Board 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 £12.676 million.

Children and Young People's Services (CYPS)

62 The updated forecast revenue outturn for 2021/22 is a cash limit underspend of £1.607 million for the year, representing circa 1.15% of the total budget for CYPS. This compares with a cash limit overspend at quarter one of £4.754 million. The revised position takes into account the in year £4.5 million budget transfer from AHS.

63 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.

- 64 The projected outturn includes an overspend within Education of £2.243 million and an underspend within Children's Services of £3.850 million, with further details provided below:
- (a) the Education Service is forecasting an overspend of £2.243 million. This includes a £2.332 million forecast overspend on Home to School Transport, a forecast shortfall in school and academy SLA income of £0.630 million and a forecast shortfall on other income (contributions from schools, course income etc) of £0.247 million. These overspends are partially offset by savings of £0.402 million in employee costs, mainly due to vacant posts and other pay budgets, reduced pension liability of £0.242 million, a projected underspend of £0.146 million on Other Pay (normally retained for incremental drift), £0.103 million under spend on staff recharges, £41,000 savings on staff travelling and general savings on Printing and Postages of £32,000; and
 - (b) Children's Services (Children's Social Care and Early Help & Intervention) is forecast to be a net £3.850 million under budget for the year. The Service is forecasting an overspend of £0.134 million in relation to the cost of looked after children's placements, following a budget transfer of £4.5 million from Adult and Health Services to reduce the forecast overspend on LAC placements identified at quarter 1, £0.147 million over budget for premises, £0.760 million over budget for supplies and services offset by forecast savings of £0.355 million on external adoption fees, £0.952 additional income in relation to joint funded arrangements with County Durham Clinical Commissioning Group, £0.602 million on Special Guardianship, Child Arrangement and Adoption Allowances, £0.191 million for young people placed on remand, £1.620 million for employees including £0.880 million for the Looked After Children restructure, £0.897 million for transport and £0.200 million from Direct Payments and a further £74,000 on other care related activity for children and young people.
- 65 The 2021/22 Children's Social Care and Early Help & Intervention budget includes growth of £6.14 million, a further £4.50 million of budget following the in-year transfer from Adult and Health Services and £0.821 million temporary funding in order to meet the challenges and pressures being experienced by the service.
- 66 The 2021/22 budgets also included 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.

- 67 In arriving at the forecast outturn position, the service has identified £2.345 million of additional costs and lost income relating to COVID-19, and £0.550 of COVID-19 related underspends. The net COVID-19 impact is therefore £1.795 million and is anticipated will be financed corporately by utilising Central Government grants.
- 68 The forecast cash limit outturn shows the position after a net £239,797 use of reserves. Transfers to and from earmarked reserves, cash limits and contingencies have been applied to finance the following items:
- (a) £22,028 contribution to the Durham Music Service Reserve realised from a small surplus in funding in the current financial year;
 - (b) £43,000 use of Durham Learning Resources to cover the costs of the replenishment of books and materials in the current financial year;
 - (c) £10,228 use of the Early Years Activity reserve linked to Early Years Professional Development Programme spend;
 - (d) £175,805 use of Aycliffe Secure to cover the costs of a kitchen and bathroom project;
 - (e) £49,141 to National Supporting Families Programme Reserve to fund a Senior EH Adviser in 2022/23;
 - (f) £71,933 use of DFE Holiday Activities and Food Grant; and
 - (g) £10,000 use to support Vulnerable Young Learners.
- 69 Taking the forecast outturn position into account, there is a forecast £1.607 million surplus cash limit position at year end.

Neighbourhoods and Climate Change (NCC)

- 70 The updated forecast revenue outturn for 2021/22, based on the position to 30 September 2021, is a cash limit underspend of £0.101 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. This compares with a cash limit underspend at quarter one of £0.114 million.
- 71 The outturn is a managed position, reflecting the proactive management of activity by Heads of Service across NCC to try and remain within the cash limit. The main reasons accounting for the cash limit outturn position are as follows:

- (a) Environmental Services is £30,000 underspent. There are overspends on waste disposal contracts of £4.461 million due to waste tonnages remaining at very high levels compared to pre-COVID-19 levels, and also due to continuing challenges in the market for recycling materials following the pandemic, but these are being treated as outside the cash limit;
- (b) Technical Services is overspent by £88,000. There is an overspend of £0.533 million in revenue maintenance to cover additional work on gullies, drainage, structures and emergency action work, and an overspend of £0.197 million from reduced sales in trading areas, but this is partially offset by employee savings of £0.277 million due to vacancies, and a £0.398 million underspend on electricity costs;
- (c) Consumer Protection is forecast to underspend by £0.174 million. There is a net underspend on employees of £0.147 million mainly due to vacant posts which are planned to be filled next financial year, and additional fees and charges income of £27,000. 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 £18,000, 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.

72 In arriving at the forecast outturn position, the service is estimating £6.260 million of additional costs, and lost income relating to COVID-19, offset by COVID-19 related savings of £62,000 which have been excluded from the cash limit forecasts. This will be met corporately by utilising central government grants wherever possible.

73 In addition, £0.786 million relating to use of reserves and cash limits has been excluded from the outturn. The major items being:

- (a) £0.264 million drawdown from the COVID-19 Compliance Reserve that was made up of government grant carried forward from 2020/21;

- (b) £0.250 million drawdown from reserves relating to the Find and Fix scheme;
- (c) £0.194 million drawdown from reserves relating to the procurement of future waste contracts; and
- (d) £79,000 drawdown from reserves relating to Environmental issues.

74 Taking the projected outturn position into account, the forecasted cash limit reserve for Neighbourhoods & Climate Change will be £0.995 million.

Regeneration, Economy and Growth (REG)

75 The updated forecast revenue outturn for 2021/22, based on the position to 30 September 2021, is a cash limit underspend of £0.230 million. This compares with a cash limit overspend at quarter one of £0.618 million.

76 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.

77 The 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. The forecast underspend of £0.230 million has been reflected in the REG Cash Limit Reserve forecast to 31 March 2022. The main reasons accounting for the outturn position are as follows:

- (a) Culture, Sport and Tourism is forecast to underspend by £0.498 million against budget. Unrealised MTFP savings of £0.201 million have been offset by underspends in Locality Services of £0.465 million and Service Development of £0.245 million, primarily relating to vacant posts;
- (b) Transport and Contracted services is forecast to overspend by £0.156 million against budget. In Strategic Traffic there is an underspend of £0.221 million in Road Safety and Traffic Assets mainly in relation to staff turnover and an underspend relating to the temporary closure of Durham Bus Station offset by costs of repairs to bus shelters and additional security due to anti-social behaviour. In Care Connect there is a shortfall of £0.120 million in relation to reduced SLAs and subsidised client income in addition to an overspend of £70,000 on staff costs. In Sustainable Transport there are additional costs of £36,000 for bringing in a

consultant to assist on the new database and a reduction in departure charges from Durham Bus Station;

- (c) Development and Housing is forecast to be in line with budget. This is the net effect of an underspend of £0.206 million in Planning Development offset by overspends of £0.138 million in Economic Development and £93,000 in Strategy and Project Development. There were also various minor overspends across the service. There is a forecast cost of £0.380 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 £2.706 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 £0.276 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 £0.543 million in this area to be covered via COVID-19 general grant funding; and
- (f) Central costs are forecast to underspend by £0.161 million against budget.

78 As part of the updated forecast outturn position, the service is declaring £9.840 million of additional costs, and lost income and relating to COVID-19 and £2.246 million of COVID-19 related underspends. The net COVID-19 impact is therefore £7.594 million, and this will be covered corporately by utilising Central Government grants wherever possible.

79 In quarter two £0.540 million relating to contributions to/ use of reserves, cash limits and contingencies has been excluded from the outturn. The major items being:

- (a) £0.147 million use of Contingencies to support principal inspection work in CPaL;
- (b) £0.150 million use of the Culture, Sport and Tourism Transformation reserve;
- (c) £0.279 million contribution to Business Durham reserves;
- (d) £0.304 million contribution to the Housing Solutions Home Improvement Agency earmarked reserve; and
- (e) £0.265 million contribution to the CPaL Building trading service reserve.

- 80 Taking the projected outturn position into account, the forecasted cash limit reserve to be carried forward for Regeneration, Economy and Growth is £1.244 million.

Resources

- 81 The 2021/22 updated forecast revenue outturn for Resources is a cash limit underspend of £0.588 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. This compares with a cash limit underspend at quarter one of £0.290 million.
- 82 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 £69,000, with managed underspending on employee costs in Occupational Health of £53,000 which has been mostly offset by underachieved income of £51,000. There is a managed overspend on employee costs in Health and Safety of £35,000 which has been partly offset by additional income of £29,000. There is a managed underspend on employee costs in Strategic Finance of £0.128 million which has been partly offset by underachieved income of £46,000. 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 £0.440 million, due to underspends on employee costs of £0.143 million and a forecast overspend on supplies and services costs of £14,000, plus additional income of £0.402 million in Revenues and Benefits. Payroll & Employee Services is forecasting to be over budget by £84,000 due to unachievable income of £40,000, a managed overspend on employee costs of £42,000 and an overspend of £2,000 on supplies and services. Service Management / Management is forecasting to be under budget by £51,000 mainly due to a managed underspend on employee costs. Financial Management is forecasting an overspend of £58,000 primarily due to a managed overspend on employee related costs;
 - (c) Digital and Customer Services is forecast to be under budget by £33,000. Within this area underachievement of income is forecast to be £0.324 million, but this is more than offset by forecast underspends on employee related costs of £0.444 million and

premises costs of £27,000. There is a forecast underspend of £49,000 on supplies and services, however this includes an overspend of £0.218 million relating to Oracle software as an MTFP saving will not be realised until next financial year. In quarter one a provision was made for Direct Revenue Funding of three ICT capital projects to the value of £0.160 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 over budget by £2,000, comprising of a managed overspend of £12,000 on employee related expenditure which has been offset by a £13,000 underspend on supplies and services. 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 £73,000. This includes a £0.321 million managed underspend on employee related expenditure and underachieved income amounting to £32,000. There is a forecast overspend of £0.227 million on supplies and services costs (which includes a forecast overspend on barrister costs of £0.177 million) and a £11,000 underspend on premises related expenditure;
- (f) People and Talent Management is forecast to be over budget by £80,000, which includes a £0.138 million managed overspend on employee related expenditure, a £10,000 overspend on supplies and services and a £26,000 overspend on central support supplies and services, partially offset by £94,000 of additional income;
- (g) Strategy is forecast to be over budget by £60,000, primarily due to a managed overspend on employee related costs of £61,000. There are also a number of other minor variances in this service area;
- (h) Transformation is forecast to be under budget by £72,000, primarily due to a managed underspend on employee costs of £59,000 and supplies and services of £18,000. There are also a number of other minor variances in this service area;
- (i) Procurement, Sales and Business Services is forecast to be under budget by £6,000, which includes a managed overspend on employee related of expenditure of £25,000 and a £6,000 overspend on supplies and services. The service is also forecasting £37,000 of additional income.

83 In arriving at the forecast outturn position, the service is declaring £2.711 million of additional costs, and lost income and relating to COVID-19 and £0.658 million of COVID-19 related underspends. The

net COVID-19 impact is therefore £2.053 million, and this will be covered corporately by utilising Central Government grants wherever possible.

- 84 The forecast cash limit outturn shows the position after a net £0.442 million of contributions to / from reserves, cash limits and contingencies have been applied. The major items being:
- (a) £0.598 million from the Elections Reserve to cover the costs of the elections held in May 2021; and
 - (b) £0.251 million to the New Burdens Reserve to support the work in administering the COVID-19 grants received from the Government and to provide a resource for dealing with ongoing pressures within the Revenues and Benefits Team.
- 85 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 £2.768 million.

Corporate Costs

- 86 The updated forecast revenue outturn for 2021/22 for Resources – Centrally Administered Costs is a cash limit overspend of £1,495. This takes into account adjustments for sums outside the cash limit such as the use of / contribution to earmarked reserves.
- 87 The updated forecast outturn position is mainly due to reduced expenditure on expenses associated with raising loans (£30,000) and £72,000 in respect of Contributions to Other Bodies. However, this has been offset by a projected overspend on Audit Fees (£27,000), a projected overspend on professional fees (£15,000) and a forecast shortfall of income from de-minimis capital receipts (£50,000) 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

- 88 This budget has been increased by £0.022 million to £39.045 million, following a budget transfer from services to fund increased leasing costs. 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

- 89 The forecast income of £3.056 million is £0.156 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 and higher than usual cash balances due to the receipt of significant grant funding linked to COVID-19.

Council Earmarked Reserves Forecast

- 90 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.
- 91 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 £36.559 million in 2021/22, from £245.532 million to £208.973 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.

	Earmarked £ million	Cash Limit £ million	Total £ million
Opening Earmarked Balances as at 1 April 2021	-229.759	-15.773	-245.532
Adjusted for increase (-) / use of Earmarked Reserves	42.263	-5.704	36.559
Transfers Between Earmarked and Cash Limit Reserves	-2.186	2.186	0.000
Earmarked Reserve Balances as at 31 March 2022	-189.682	-19.291	-208.973

- 92 The position forecasts at quarter one indicated that total earmarked and cash limit reserves (excluding school reserves) were forecast to reduce by £47.077 million in 2021/22, to £198.455 million.

Dedicated Schools Grant and Schools

- 93 The council currently maintains 187 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.
- 94 The current budget for 2021/22 for these 187 maintained schools is circa £275 million, funded by income of circa £64 million, formula

funding budget shares of circa £201 million (from central government funding), and a budgeted circa £10 million use of accumulated schools' reserves. The table below summarises the schools' current budgets.

	Nursery	Primary	Secondary	Special / AP	Current Annual Budget
	£ million	£ million	£ million	£ million	£ million
Employees	(4.480)	(151.450)	(30.563)	(30.275)	(216.768)
Premises	(0.277)	(10.138)	(2.352)	(1.294)	(14.062)
Transport	(0.001)	(0.375)	(0.385)	(1.142)	(1.903)
Supplies and services	(0.490)	(30.853)	(5.611)	(4.996)	(41.951)
Gross expenditure	(5.248)	(192.816)	(38.911)	(37.708)	(274.684)
Income	3.873	41.620	12.597	5.877	63.967
Net expenditure	(1.376)	(151.196)	(26.314)	(31.831)	(210.717)
Budget share	1.072	143.387	25.751	30.524	200.735
Contribution to/(from) reserves	(0.304)	(7.808)	(0.563)	(1.307)	(9.982)
Balance at 31 Mar 2021	1.034	24.231	1.060	3.216	29.542
Balance at 31 Mar 2022	0.731	16.423	0.498	1.909	19.560

95 Schools are currently reviewing their budgets with the School Funding Team during the autumn term. Past experience is that schools usually underspend significantly against their initial budgets and forecasts, which tend to be based on a worst-case scenario. The council's finance team believes that this is likely to be the case again this year. An update on the likely outturn will be given as part of the Quarter 3 forecasts.

96 Four schools were 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)

- 97 St Thomas More RC converted to an academy in September. This was expected and the licensed deficit took account of the fact that it was not expected to be a maintained school for the whole of the financial year. To facilitate the conversion of this school the council agreed to write-off the deficit balance at the point of conversion. This limited the council's exposure to having to write-off a larger deficit in the future if the school was to convert as a sponsored academy at a later date. The final balance upon conversion will be only confirmed in December in line with DfE regulations.
- 98 Ferryhill Station was required to make changes to set a balanced budget by the end of 2022/23; the school is still considering options to do this and will be required to make the necessary savings to comply with the licensed deficit and balance its budget by the end of next year.
- 99 Both Wellfield and Durham Community Business College expect to comply with their licensed deficits. (Durham Community Business College was formerly part of The Durham Federation, with Fyndoune Community College, which has now closed).
- 100 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

- 101 The quarter two financial forecasts for the centrally retained DSG budgets show an overspend of £1.455 million against a total expenditure budget of £101.056 million to year end, which represents a 1.44% overspend.

DSG Block	Budgeted Expenditure £ million	Budgeted Income £ million	Net Budget £ million	Forecast Outturn £ million	Forecast Over / (Under) Spend £ million
Schools de-delegated	0.352	(0.352)	-	-	-
High Needs	65.743	(65.743)	-	1.455	1.455
Early Years	31.935	(31.935)	-	-	-
Central Schools Services	3.026	(3.026)	-	-	-
TOTAL	101.056	(101.056)	-	1.455	1.455

- 102 The updated forecasts against the High Needs Block (HNB), indicate an overspend of £1.455 million in year, which will add to the accumulated

deficit that has been accrued in previous years. This is a deterioration on the position forecast at quarter one, when a £1.080 million underspend was forecast.

- 103 This forecast overspend largely relates to additional Top Up Funding for mainstream Nursery, Primary and Secondary pupils and the Local Authority PRU and associated income. The overspending in this area is in spite of the circa £8 million increase in HN DSG funding made available by Government this year.
- 104 All areas of HNB expenditure continue to 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 that we could see an upward trend in the volume of requests for additional support for high needs pupils.
- 105 The impact of the current forecast on the DSG reserves position is shown in the following table:

DSG Reserves	High Needs Block (Unusable Reserve) £ million	Early Years Block £ million	Schools Block £ million	Total DSG £ million
Balance as at 1 April 2020	(5.726)	1.275	0.644	(3.806)
Early Years adjustment 2019/20	-	0.097	-	0.097
Use [-] / Contribution [+] in 2020/21	(2.321)	0.003	2.105	(0.213)
Balance as at 1 April 2021	(8.047)	1.375	2.749	(3.923)
Use [-] / Contribution [+] in 2021/22	(1.455)	-	-	(1.455)
Forecast balance as at 1 April 2022	(9.502)	1.375	2.749	(5.378)

- 106 The overall DSG reserve was in deficit of £3.923 million at the start of the financial year as a result of the accumulated deficit position in relation to the high needs block. The overall deficit position is now forecast to increase to £5.378 million to the year end.
- 107 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.
- 108 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.

- 109 Legislation came into force in November 2020 which means 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.
- 110 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

- 111 The 2021/22 original budget of £205.408 million was revised to £199.218 million at Cabinet on 15 September 2021 in the Quarter 1 Forecast of Revenue and Capital Outturn 2021/22. Details of the original and revised budget are shown in the table below.
- 112 The council's Member Officer Working Group (MOWG) closely monitors the capital programme. It 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

- 113 The following table summarises the latest capital budget for approval alongside the original budget. The table also shows the actual capital spend as at 30 September 2021.

Service Grouping	Original Budget 2021/22	Revised Budget 2021/22 Quarter 1	Amendments recommended by MOWG	Revised Budget 2021/22 Quarter 2	Actual Spend to 30 Sept 2021
	£ million	£ million	£ million	£ million	£ million
Adult and Health Services	1.210	1.210	0.000	1.210	0.071
Children and Young People's Services	33.641	29.377	-3.926	25.451	7.629
Neighbourhoods and Climate Change	58.740	56.942	5.290	62.232	20.852
Regeneration, Economy and Growth	87.554	94.884	1.838	96.722	27.660
Resources	24.263	16.805	-3.000	13.805	2.282
TOTAL	205.408	199.218	0.201	199.419	58.494

114 Since the original 2021/22 budget was agreed and further to the amendments reported as part of the quarter one forecasts of outturn report to Cabinet in September, MOWG has considered a number of variations to the capital programme which are a result of additions and reductions in resources received by the council and reprofiling of budgets over future years. Variations of note are as follows:

Additions and Reductions

- (a) **CYPS** – the service has the following addition and reduction:
- (i) **Early Years** - the School Nurseries Capital Fund budget for West Cornforth Primary School has reduced by £35,521 to reflect a reduction in the grant from DfE; and
 - (ii) **School Devolved Capital** – an increase of £20,000 to the budget for Villa Real School, financed from a contribution from Esh Construction.
- (b) **NCC** – the service will utilise additional funding as follows:
- (i) **Environmental Services** - £5.006 million for Annfield Plain Battery Storage Scheme financed by ERDF grant. £0.114 million for Woodland Primary School Decarbonisation Scheme financed by grant from BEIS;
 - (ii) **Technical Services** - £0.581 million grant from the Environment Agency for the CSIA South Moor and Stanley Resilience Innovation Scheme. £0.400 million for the

renewal of lighting on the Cathedral and Castle funded from reserves;

(iii) **Members Neighbourhood Fund** – £76,389 budget increase funded from the Members Neighbourhood Revenue Reserve; and

(iv) **AAP Capital Budgets** – £42,862 increase funded from the AAP Revenue Reserve.

(c) **REG** – the service has the following additions:

(i) **Development and Housing** – grant of £5.483 million from BEIS for Green Homes Phase 2 schemes.

(ii) **Culture and Sport** - £0.150 million for Durham City Cultural Programme funded from reserves.

115 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** – £3.960 million (net) has been re-profiled from 2021/22 into 2022/23 and 2023/24. The most significant amount is the re-profiling of £2.000 million from 2021/22 to 2022/23 for the Schools Capital Grant upprogrammed budget. Other amounts re-profiled from 2021/22 to 2022/23 include £0.750 million for Escomb Primary New Build and £0.170 million for Westlea Primary Main Building Rewire. In Children's Care £0.550 million of the Tow Law Children's Home Replacement budget and £0.546 million of the Edge of Care Home Acquisition and Refurbishment budget has been re-profiled from 2021/22 into 2022/23 and 2023/24. In Secure Services £0.115 million has been re-profiled from 2021/22 to 2022/23 for the Vandal Resistant Lift scheme;

(b) **NCC** - £0.870 million has been re-profiled from 2021/22 into 2022/23. Significant amounts include £0.478 million for Durham City Conservation works at North and South Bailey and £0.395 million for Durham City Conservation works at Claypath due to other capital schemes in the city centre taking priority;

(c) **REG** - £3.873 million (net) has been re-profiled from 2021/22 across the period from 2022/23 to 2024/25. Re-profiling from 2021/22 into 2022/23 includes £0.254 million for Meadowfield Depot Strategic Site and £1.315 million for Consett Leisure Pool Tiling Defects, due to delays with the procurement process. £2.249 million of the Newton Aycliffe Housing Infrastructure Fund 2021/22 budget has been moved into 2023/24 (£1.649 million) and 2024/25 (£0.600 million), due to delays in development of the

planning application submission which have delayed the overall programme; and

- (d) **Resources** - £3.000 million has been re-profiled from 2021/22 into 2022/23. This includes £1.000 million for the Digital Durham Top Up Scheme, £1.700 million for the Website and CRM Replacement, £0.200 million for the ICT Performance Management System and £0.100 million for the Integrated Customer Service Programme. Schemes have been delayed due to a change in service priorities as a result of COVID-19.

Capital Financing

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

Financed By:	Original Budget 2021/22	Revised Budget 2021/22 Quarter 1	Amendments recommended by MOWG	Revised Budget 2021/22 Quarter 2
	£ million	£ million	£ million	£ million
Grants and Contributions	66.970	65.139	9.728	74.867
Revenue and Reserves	13.634	18.538	0.951	19.489
Capital Receipts	12.204	12.449	-1.017	11.432
Borrowing	112.601	103.091	-9.460	93.631
TOTAL	205.408	199.218	0.201	199.419

Council Tax and Business Rates Collection Funds

Council Tax

- 117 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.
- 118 The in year collection rate at 30 September 2021 was 54.78%; a slight improvement on the position as at 30 September 2020 when in -year recovery for 2020/21 stood at 53.94%.
- 119 The council is continuing to provide 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 £3.036 million having been awarded to 30 September 2021.

120 On 9 June 2021, the Corporate Director of Resources took a delegated decision to fully reinstate formal recovery action.

121 The in-year collection rates at the end of quarter two for the current and last two financial years, are detailed below:

Billing Year	Position at 30 September Each Year %
2021/22	54.78
2020/21	53.94
2019/20	55.96

122 The income shown in the Council Tax Collection Fund is the amount collectable from council taxpayers 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.

123 Actual cash collected as at 30 September 2021 was £169.311 million compared with £156.240 million as at 30 September 2020. When the council tax increases for 2021/22 are factored in this represents a year on year real terms increase of £7.885 million in terms of council tax income received.

124 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.

125 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.

126 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.

- 127 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.
- 128 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.
- 129 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.
- 130 In terms of the in year position for the council tax element of the Collection Fund at 30 September 2021, the estimated outturn is a surplus of £0.558 million, with the council's share of the surplus being £0.470 million.
- 131 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 £0.558 million the overall forecast for the council tax element of the Collection Fund is a £5.090 million deficit. The council share of this deficit being £4.292 million.

	£ million
Net Bills issued during Accounting Year 2021/22	368.000
LCTRS and previous years CTB adjustments	-61.059
Calculated change in provision for bad debts required and write offs	-3.544
Net income receivable (a)	303.397
Precepts and Demands	
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
Total Precepts and Demands (b)	302.839
Net Surplus / (-) Deficit for year (a) – (b)	0.558
Spreading of Deficit Adjustment	-1.907
Undeclared Surplus / (-) Deficit brought forward from 2020/21	-3.741
Estimated year end deficit	-5.090

Business Rates

- 132 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.
- 133 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 will 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.

- 134 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.
- 135 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.
- 136 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.
- 137 The in-year collection rate at 30 September 2021 was 53.91%, which is 2.77% points below the same position last year. The in-year collection rates at the end of quarter two for the current and last two financial years, are as follows:

Billing year	Position at 30 September Each Year %
2021/22	53.91
2020/21	56.68
2019/20	58.73

- 138 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.
- 139 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.
- 140 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.

- 141 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 year position of £6.337 million. This undeclared deficit for 2020/21 must also be taken into account in the 2021/22 Collection Fund.
- 142 In terms of the in year position for the business rate element of the Collection Fund as at 30 September 2021, the estimated outturn for the year is an in year deficit of £17.175 million of which the council's 49% share is £8.416 million. This deficit for the council however is offset by the receipt of additional Section 31 grant of £8.825 million due to the additional business rate relief. This results in a forecast in year surplus for the council of £0.409 million.
- 143 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 £17.175 million the overall forecast for the business rate element of the Collection Fund is a £11.217 million deficit, of which the council's share is £5.496 million. This deficit position for the council is offset by the forecast Section 31 grant of £8.825 million resulting in a forecast 2021/22 surplus on the business rate element of the Collection Fund of £3.329 million.
- 144 The total position for the business rate element of the Collection Fund for 2021/22 is detailed in the following table.

	£ million
Net rate yield for 2021/22 including previous year adjustments	101.084
Estimate of changes due to appeals lodged and future appeals	0.745
Estimated losses in Collection – Provision for Bad Debts and Write-offs	-1.030
Net income receivable (a)	100.799
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)	0.762
Total fixed payments (b)	117.974
Net deficit for year (a) – (b)	-17.175
Spreading of Deficit Adjustment	-0.379
Undeclared Surplus / (-) Deficit brought forward from 2020/21	6.337
Estimated year end deficit	-11.217

- 145 Taking into account the forecast positions at the end of quarter two for council tax and business rates, alongside the receipt of Section 31 grant, the overarching position for the council in terms of the 2021/22 Collection Fund are as set out below, highlighting a forecast overall £0.963 million deficit.

	£ million
Council Tax Deficit	-4.292
Business Rates Deficit	-5.496
Section 31 Grant	<u>8.825</u>
NET DEFICIT	<u>-0.963</u>

Section 31 Grant - Small Business Rate Relief

- 146 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.
- 147 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%.
- 148 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.
- 149 At 30 September 2021, the gross small business relief awarded against the 2021/22 business rates bills and adjustments to 2013/14 to 2020/21 bills is £18.012 million, and the council will receive £6.029 million in Section 31 grant, including the capping adjustment and threshold change adjustments, in this regard.

Other Section 31 Grants

- 150 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.
- 151 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.
- 152 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.

- 153 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 £10.465 million of which £8.825 million relates to the additional reliefs in response to COVID-19.

Update on Progress towards achieving MTFP(11) savings

- 154 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.
- 155 MTFP(11) savings proposals for 2021/22, agreed by County Council on 24 February 2021 total £5.312 million.
- 156 At 30 September 2021, savings totalling £4.476 million, representing 84% of the £5.312 million total savings target have been delivered.

Consultation

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

HR implications

- 158 It is not possible to effectively analyse the equality data relating to the two staff leaving through voluntary redundancy, early retirement and ER/VR during quarter two of MTFP11, due to the low numbers. In terms of race and disability, again the numbers of leavers are too low to effectively analyse.
- 159 The numbers of those leaving through compulsory redundancy are also too low to effectively analyse (one).
- 160 Since 2011, equality data relating to staff leaving through voluntary redundancy, showed that 65.6% were female and 34.4% 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). This is also reflective of the council's overall gender balance in terms of employees.

- 161 In terms of race, since 2011, 45.75% of leavers had not disclosed their ethnicity, with 53.88% stating that they were white British or white English. Regarding disability status 2.97% said they had a disability, 13.17% had no disability and 83.86% did not disclose their disability status.

Equality Impact Assessments (EIA)

- 162 Services have completed EIA screenings and assessments where necessary as part of the decision-making process for 2021/22 MTFP11 proposals.
- 163 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 – 7 July 2021 - 2020/21 Final Outturn for the General Fund and Collection Fund
- 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.

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Appendix 1: Implications

Legal Implications

The consideration of regular budgetary control reports is a key component of the council's Corporate and Financial Governance arrangements. This report shows the forecast spend against budgets agreed by Council in February 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	Revised Budget	Proposed Budget Revisions, including sums outside the cash limit	Contribution to / Use of Cash Limit Reserve	Contribution to / Use of Earmarked Reserves	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Corporate Costs Forecast of Outturn	Forecast of Outturn (including Corporate Costs)	Forecasted Variance (including Corporate Costs)	Forecasted Variance - Corporate Costs
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	509,033	531,792	-2,498	87	576	529,957	523,502	336	523,838	-6,119	-1
Premises	50,677	52,462	193	0	0	52,655	53,353	0	53,353	698	0
Transport	47,496	47,530	-106	0	45	47,469	49,225	0	49,225	1,756	0
Supplies & Services	113,643	123,085	3,062	0	540	126,687	136,892	1,826	138,718	12,031	688
Agency & Contracted	427,506	468,846	2,988	0	-6	471,828	465,556	4,027	469,583	-2,245	34
Transfer Payments	166,814	181,991	-2,646	0	-4,855	174,490	203,483	6,355	209,838	35,348	991
Central Costs	127,115	128,114	-1,590	0	2,237	128,761	130,258	115	130,373	1,612	0
DRF	3,641	4,242	-30	0	176	4,388	5,369	120	5,489	1,101	0
Other	0	-1,056	2,551	0	0	1,495	40	0	40	-1,455	0
Capital Charges	62,796	62,796	0	0	0	62,796	62,796	0	62,796	0	0
GROSS EXPENDITURE	1,508,721	1,599,802	1,924	87	-1,287	1,600,526	1,630,474	12,779	1,643,253	42,727	1,712
Income											
Government Grants	548,132	613,467	-248	0	609	613,828	642,657	11,016	653,673	39,845	-1,759
Other Grants and Contributions	83,208	87,360	-2,190	0	73	85,243	94,846	0	94,846	9,603	0
Sales	7,235	6,945	-69	0	0	6,876	5,228	100	5,328	-1,548	50
Fees and Charges	104,257	104,020	615	0	301	104,936	93,081	-34	93,047	-11,889	34
Rents	9,086	10,106	89	0	140	10,335	11,304	0	11,304	969	0
Recharges To Other Services	296,974	299,769	574	0	53	300,396	293,705	0	293,705	-6,691	0
Other	9,790	6,927	329	0	0	7,256	7,879	0	7,879	623	0
Total Income	1,058,682	1,128,594	-900	0	1,176	1,128,870	1,148,700	11,082	1,159,782	30,912	-1,675
NET EXPENDITURE	450,039	471,208	2,824	87	-2,463	471,656	481,774	1,697	483,471	11,815	37

Appendix 4: Earmarked Reserves Position as at 30 September 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	-24,675	2,273	-223	2,945	4,995	-19,680
Public Health Reserve	AHS	-9,625	1,785	-246	-1,000	539	-9,086
Children's Services Reserve	CYPS	-2,761	443	-49	-750	-356	-3,117
Education Reserve	CYPS	-14,946	349	-48	-51	250	-14,696
Community Protection Reserve	NCC	-1,145			-1,950	-1,950	-3,095
Environmental Services Reserve	NCC	-4,835	2,049	-590		1,459	-3,376
North Pennines AONB Partnership Reserve	NCC	-1,127					-1,127
Partnerships and Community Engagement Reserve	NCC	-6,204	3,027	-4	-4,710	-1,687	-7,891
Technical Services Reserve	NCC	-2,044			-40	-40	-2,084
Business Growth Fund Reserve	REG	-604					-604
CEO Grant Reserve	REG	-86	121	-121			-86
CEO Operational Reserve	REG	-431					-431
Corporate Property & Land Reserve	REG	-1,913	80	-401		-321	-2,234
Culture and Sport Reserve	REG	-15,289	941	-303		638	-14,651
Economic Development Reserve	REG	-5,899	2,648	-1,021	-130	1,497	-4,402
Employability and Training Reserve	REG	-276		-20		-20	-296
Funding and Programmes Management Reserve	REG	-540					-540
Housing Regeneration Reserve	REG	-473					-473
Housing Solutions Reserve	REG	-3,523	50	-304		-254	-3,777
Planning Reserve	REG	-168	55			55	-113
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	70			70	-610
Resources Council Tax Hardship Reserve	Resources	-2,820	2,820	-3,663		-843	-3,663
Resources COVID-19 Support Grants	Resources	-4,873	4,482			4,482	-391
Resources Customer Services Reserve	Resources	-250					-250
Resources DWP Grant Reserve	Resources	-1,895		-2,536	-336	-2,872	-4,767
Resources Elections Reserve	Resources	-1,713	598			598	-1,115
Resources Financial Services Reserve	Resources	-94					-94
Resources Grant Reserve	Resources	-154					-154
Resources Housing Benefit Subsidy Reserve	Resources						
Resources Human Resources Reserves	Resources	-392	482		-154	328	-64
Resources ICT Reserves	Resources	-1,166	281	-14	-250	17	-1,149
Resources Internal Audit & Corporate Fraud Reserve	Resources	-125	41			41	-84
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					-150
Resources Revenue and Benefits Reserve	Resources	-906	198		-198		-906
Resources System Development Reserve	Resources	-308	45			45	-263
Resources Transformation Reserve	Resources	-967	-327		521	194	-773
Budget Support Reserve	Corporate	-16,440	3,778			3,778	-12,662
Business Support Reserve	Corporate	-1,949	61			61	-1,888
Capital Reserve	Corporate	-273					-273
Collection Fund Deficit Reserve	Corporate	-24,863	23,894			23,894	-969
Commercialisation Support Reserve	Corporate	-10,096	238			238	-9,858
Equal Pay Reserve	Corporate	-9,479					-9,479
ER/VR Reserve	Corporate	-3,993	33			33	-3,960
Feasibility Study Reserve	Corporate	-500					-500
Inspire Programme Reserve	Corporate	-246					-246
Insurance Reserve	Corporate	-9,564					-9,564
Levelling Up Feasibility Reserve	Corporate	-1,000					-1,000
Local Taxation Income Guarantee Reserve	Corporate	-1,224	514			514	-710
Office Accommodation Capital Reserve	Corporate	-1,945	172			172	-1,773
Recovery Support Reserve	Corporate	-8,236					-8,236
Total Earmarked Reserves		-229,759	51,833	-9,570	-2,186	40,077	-189,682

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
Cash Limit Reserves							
Adult and Health Services		-10,451	-1,877	-2,350	2,002	-2,225	-12,676
Chief Executive's Office		-135			135	135	0
Children and Young People's Services		0		-1,607		-1,607	-1,607
Neighbourhoods and Climate Change		-1,294	400	-101		299	-995
Regeneration, Economy and Growth		-1,431	422	-230	-5	187	-1,244
Resources		-2,462	227	-588	54	-307	-2,769
Total Cash Limit Reserves		-15,773	-828	-4,876	2,186	-3,518	-19,291
Total Council Reserves		-245,532	51,005	-14,446	0	36,559	-208,973
Schools' Balances							
Schools' Revenue Balance	CYPS	-31,174	9,982			9,982	-21,192
DSG Reserve	CYPS	-4,124				0	-4,124
Total Schools and DSG Reserve		-35,298	9,982	0	0	9,982	-25,316