

## **Cabinet**

**12 March 2025**

**Forecast of Revenue and Capital  
Outturn 2024/25 – Period to 31  
December 2024 and Update on Progress  
towards achieving MTFP (14) savings**

**Ordinary Decision**



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### **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:
  - (a) the updated forecast revenue and capital outturn for 2024/25, based on the position to 31 December 2024;
  - (b) an update on the dedicated schools' grants and forecast schools' forecast outturn as at 31 March 2025, based upon the position to 31 December 2024;
  - (c) the forecast for the council tax and business rates collection fund outturn on 31 March 2025, based on the position to 31 December 2024; and
  - (d) details of the updated forecast use of and contributions to earmarked, cash limit and general reserves in 2024/25 and the estimated balances that will be held on 31 March 2025.
- 2 The report also provides Cabinet with an update on progress towards achieving MTFP (14) savings in 2024/25.

## Executive Summary

- 3 The council is continuing to operate in a period of financial uncertainty and volatility. This uncertainty continues into 2025/26, where a one-year finance settlement for local government has once again been provided.
- 4 The Government has however committed to providing multi-year settlements for local government from 2026/27, which would provide greater certainty and has issued proposals, via its Local Authority Funding Reform consultation, to fundamentally change the way funding is allocated from 2026/27 onwards.
- 5 The settlement next year has provided the Council with additional funding in 2025/26; however, this funding is more than offset by the additional costs associated with social care, payroll costs, employers' national insurance costs and other inflation and demand-led factors.
- 6 The council's inherent low tax raising capacity, due to its low tax base, alongside ongoing significant demand pressures, particularly escalating demographic and cost pressures in Children's Social Care, and the ongoing inflationary impact of the national living wage increases on service provision drive further uncertainty and risk in the council's budgets. Without any fundamental shift in funding arrangements the financial outlook for the council is forecast to remain extremely challenging for the foreseeable future.
- 7 Consumer Price Index inflation (CPI) in the UK economy for the twelve months to January 2025 has risen to 3.0%. Whilst CPI is significantly lower than the peak in October 2022 (where CPI was 11.1%), prices and the cost pressure the Council face in delivering services and the size of the capital programme are still significantly higher than three years ago and are still rising. There also remains some uncertainty regarding the direction of inflation over the longer term, which is in part compounded by rising global uncertainty.
- 8 On 6 February 2025, the Bank of England Monetary Policy Committee cut the base rate by 0.25% points to 4.50%, partly as a response to the reduction to CPI for the twelve months to December 2024. However, because the Consumer Price Index for the twelve months to 31 January 2025 rose to 3.0%, the prospects of further reductions in the base rates have cooled, at least in the short term.
- 9 The Council's challenging financial position is largely driven by financial pressures in Children and Young People's Budgets. The updated overall forecast cash limit position as of 31 December 2024, indicates a consolidated net service grouping cash limit overspend of £9.719 million this year. The position at quarter two, presented to Cabinet in December

was a forecast net cash limit overspend of £7.441 million, so the updated position shows a deterioration of £2.278 million.

- 10 The overall cash limit overspend is primarily due to Children and Young People's Services, where there is a forecast cash limit overspend of £13.057 million overspend now forecast, driven in large part to rising cost pressures in Children Looked After placement costs and associated expenditure (a 6.65% overspend compared to the overall revised budget of the service grouping). The position at quarter two for Children and Young People's Services was a forecast cash limit overspend of £9.517 million, so the updated forecasts are £3.540 million greater than the position forecast at quarter two. MTFP(15) includes £16.610 million of growth to offset this overspend and further anticipated increases in the budget areas across the next 15 months.
- 11 The Children and Young People's Services do not have a Cash Limit Reserve to offset the Directorate's £13.057 million overspend, so as in previous years, this overspend will need to be financed from the General Reserve at year end.
- 12 As in previous years, the reduced income arising from temporary closures whilst refurbishment works are undertaken as part of the Leisure Transformation Programme has been treated as outside of the Regeneration, Economy and Growth Service cash limit budget and charged against Corporate Contingencies. The 2024/25 reduced income is forecast as £0.510 million – slightly higher than the £0.459 million forecast at quarter two.
- 13 The growth in the use of temporary accommodation has continued into 2024/25. The Housing Benefit Subsidy Grant reclaimed from the Department for Works and Pensions, on whose behalf the Council administers Housing Benefit, does not fully cover the costs of the Council providing temporary and supported accommodation to people in need of this support. Demand for this support has increased significantly in recent years. Whilst the 2024/25 budget included a £2.6 million budget increase to reflect these costs, the 2024/25 year-end forecast now indicates a further net budget pressure of circa £0.883 million, which has worsened since the quarter two forecast was prepared, which indicated a circa £0.683 million overspend. This overspend is to be funded corporately and treated as outside of the service cash limit. The 2025/26 budget incorporates an adjustment of £0.680 million to reflect additional housing benefit subsidy shortfall assumptions, and to fund the continuance of the Supporting Housing Initiative Programme.
- 14 Energy prices have fallen during 2024/25. The 2024/25 budget factored in an expected reduction in energy prices, however, prices have fallen slightly further and more quickly than previously estimated. Energy costs

are presently forecast to be lower than budget (net of Joint Stocks Power Generation income shortfall and gas credit) by £1.956 million in the current year – this is in line with the underspend forecast at quarter two. The welcome reduction in energy prices has been adjusted for in conjunction with NEPO colleagues, in the MTFP (15) position.

- 15 The increasing demand for statutory Education, Health and Care Plan Assessments over recent years has resulted in insufficient capacity within the council's Educational Psychology Service and the wider Early Help Team to support the volume of assessments coming through. In September 2023, a short-term contract for locum support was agreed to enable a better response to current demand within timescales whilst further work in the associated action plan and the delivery of the Delivering Better Value Programme with DfE funding is undertaken. A forecast £1.477 million will be funded corporately to support this, with the permanent budget growth in this area included in the 2025/26 budget and MTFP. The updated forecast of costs incurred in this area is £0.517 million higher than the estimates included in the quarter two forecasts.
- 16 Having excluded the CYPS position, the other service groupings' cash limit budgets are forecasting a net underspend of £3.338 million – which is higher than the £2.076 million forecast underspend at quarter two, with Adult and Health Services, Resources and the Chief Executives Office all underspending by a combined £3.723 million (£0.587 million higher than quarter two), offset by forecast overspending in Neighbourhoods and Climate Change and Regeneration, Economy and Growth of £0.385 million (£0.675 million lower than quarter two).
- 17 It is forecast that the overall corporate position will be a net overspend of £8.717 million – an increase of £3.383 million compared to the quarter two forecast. This is after application of the budgets available in general contingencies, along with forecast underspends in corporate costs and in capital financing budgets following a managed approach to borrowing. The corporate overspending is largely because of the need to meet the £13.057 million cash limit overspend in CYPS.
- 18 In line with previous years allocations, it is forecast that the council will receive a return from the national business rate levy surplus account this year, which has been confirmed at £1.068 million for 2024/25. This additional levy income was not budgeted due to its unpredictability.
- 19 The combined forecast cash limit and corporate net forecast position therefore indicates a £5.379 million overspend for 2024/25 – consisting of a £8.717 million corporate overspend (including the CYPS cash limit overspend) less a £3.338 million services cash-limit underspend (excluding the CYPS cash limit overspend).

- 20 The council's current reserves policy aims to maintain General Reserve balance of between 5% and 7.5% of the net budget requirement in the medium term, which equates to a range of between £28.2 million and £42.4 million in 2024/25. The opening General Reserves balance was £32.061 million (5.68% of the 2024/25 net budget requirement).
- 21 The quarter three forecasts would result in the General Reserve position reducing by £8.717 million to £23.344 million, which is significantly below the minimum threshold. A transfer from the MTFP Support Reserve of £4.899 million would therefore be required to replenish to minimum requirement levels should these forecasts materialise - £3.383 million more than what was forecast at quarter two. A further top-up of nearly £3 million will be required at the start of 2025/26 to reflect the uplifted Net Budget Requirement for 2025/26 and the need to have an opening General Reserve position of £31.156 million.
- 22 Total earmarked and cash limit reserves (excluding school reserves) are forecast to continue to reduce. Earmarked reserves are being expended in line with their expected use, with a forecast reduction in overall reserves of £10.139 million in 2024/25, from £176.307 million to £166.168 million. £3.720 million of the reduction in reserves relates to the use of the MTFP Support Reserve in year to balance the 2024/25 budget. The updated forecasts of the reduction in earmarked and cash limit reserves are £2.749 million less than what was forecast at quarter two. It should be noted that this position is prior to the required transfer to the General Reserve (from other earmarked or cash limit reserves) at year end, and at the beginning of next financial year, to maintain compliance with the council's Reserves Policy. The total General, earmarked and Cash Limit Reserves (excluding school reserves) at 31 March 2025 are forecast to be £189.512 million, an in-year reduction of £18.856 million in total.
- 23 The forecast reserves position, including the General Reserve, is still considered to be adequate and prudent given the financial commitments and risks, and the uncertainties facing the Council and the whole of local government beyond 2025/26.
- 24 The budget deficit / additional savings' requirements highlighted in the MTFP (15) report to Council on 19 February 2025 showed a savings shortfall (following savings proposals) of £45.848 million for the period 2025/26 to 2028/29. This will need to be addressed through options such as raising council tax further, identifying a further round of savings for MTFP (16), transformational change driving savings and from additional funding arising from the Government's commitment to reform local government funding allocations.
- 25 The quarter three forecast position for all current maintained schools shows a forecast net use of reserves of £4.681 million in year - £0.478

million less than the budgeted position and a slight increase on the quarter two forecasts, where £4.562 million of reserves were forecast to be required to balance in year expenditure. The forecast net retained maintained schools' balances at 31 March 2025 is £22.669 million - £0.169 million less than what was forecast at quarter two.

- 26 The forecast position for Dedicated Schools Grant centrally retained block shows a £13.343 million overspend in relation to High Needs Block in year, due to the significant gap between high needs funding levels and high needs financial pressures as demand continues to increase, increasing the cumulative forecast retained deficit to £23.9 million at 31 March 2025. The updated forecasts show a further deterioration in the position forecast at quarter two, where the centrally retained block deficit was forecast to be 11.572 million in year. Cabinet is reminded that this unfunded and increasing deficit is impacting on the level of investment interest income earned due to the cash-flowing of this deficit, with the lost interest on this balance forecast to have been £1.137 million this year.
- 27 The updated projected capital outturn this year is that £289.459 million of capital expenditure will be incurred this year, which is in line with the revised budget approved by Cabinet on 12 February 2025. Actual capital expenditure incurred to 31 December 2024 was £179.404 million.
- 28 Performance against the various treasury management and prudential indicators agreed by County Council in February 2024 are set out in this report and shows that the council continues to operate within the boundaries agreed.
- 29 The forecast outturn for the Council Tax Collection Fund shows an in-year surplus of £0.974 million, and a cumulative surplus of £1.810 million to 31 March 2025. Durham County Council's share of this forecast net surplus is £1.523 million. The updated forecasts show a marginal improvement but are broadly in line with the quarter two forecasts.
- 30 The forecast outturn for the Business Rates Collection Fund is an in-year surplus of £3.627 million, and a cumulative surplus of £3.553 million to 31 March 2025 once the deficit brought forward from last year is considered. Durham County Council's share (49%) of this forecast surplus is £1.742 million. The updated forecasts show a marginal improvement but are broadly in line with the quarter two forecasts.
- 31 As at 31 December 2024 the council has delivered savings totalling £6.611 million, representing 81.8% of the £8.083 million savings target for the year, with circa £1.1 million of the savings (14.4%) forecast not to be achieved in year due to delays in delivering some of the proposals agreed by Council.

## Recommendations

32 It is recommended that Cabinet:

- (a) note the council's overall forecast financial position for 2024/25 and the continuing significant inflationary and demand led cost pressures – particularly in Children's Social Care and in temporary accommodation budgets;
- (b) agree the proposed 'sums outside the cash limit' and transfers to and from general contingencies as set out in the report;
- (c) agree the revenue and capital budget adjustments outlined in the report;
- (d) agree the proposed amendments to the capital programme as set out in the report, which will create £12.4 million of capital additional capital contingencies in 2025/26;
- (e) note performance against the various Treasury Management prudential indicators agreed by Council in February 2024;
- (f) note the forecast use of earmarked reserves in year;
- (g) note the forecast 2024/25 net cash limit overspend of £9.719 million, including the CYPS overspend of £13.057 million (£3.338 million underspend excluding CYPS) and the forecast cash limit reserves at 31 March 2025 of £10.292 million;
- (h) note the forecast General Fund overspend of £8.717 million resulting in a forecast overall net council overspend in 2024/25 of £5.379 million (£8.717 million less a £3.338 million services cash-limit underspend);
- (i) note the forecast General Reserve position at 31 March 2025 (£23.344 million) and the requirement to utilise £4.899 million of reserve to replenish the General Reserves in line with the Council's policy of ensuring this reserve is 5% of the net revenue budget (i.e. a minimum requirement of £28.243 million in 2024/25);
- (j) note that a further top-up to the General Reserves of £2.929 million will be required at the start of the new financial year based on the Net Budget Requirement for 2025/26 and to ensure that the balance on this reserve is £31.172 million going into 2025/26;
- (k) note the net unavoidable demand-led and inflationary pressures which are forecast to be managed from the General Reserve;

- (l) note the updated Dedicated Schools Grant and Schools forecast outturn position;
- (m) note the updated position on the Collection Funds in respect of Council Tax and Business Rates; and
- (n) note the amount of savings delivered to 31 December 2024 against the 2024/25 targets, the shortfalls anticipated to year end and the total savings that will have been delivered since 2011.



## Background

- 33 The County Council agreed Medium-Term Financial Plan 14 (MTFP (14)), which incorporates the revenue and capital budgets for 2024/25, on 28 February 2024. MTFP (14) covers the period 2024/25 to 2027/28.
- 34 MTFP (15) covers the period 2025/26 to 2028/29 and was agreed at Council on 19 February 2025. This identified savings of £18.036 million to be delivered in 2025/26. However, there remains a budget deficit / savings shortfall over the MTFP (15) planning period of £45.848 million, with the council needing to use £3.503 million of its MTFP Support Reserve in 2025/26 to balance its budget and facing a £23.352 million budget deficit / savings shortfall in 2026/27.
- 35 Consumer Price Index inflation (CPI) in the UK economy for the twelve months to December 2024 rose by 2.5%, down from the position in November 2024 when it was 2.6%. However, in the twelve months to 31 January 2025, CPI rose to 3.0%. CPI is above the Government's target level; however, it is significantly lower than the peak in October 2022 (where CPI was 11.1%). However, the inflation rates linked to services and goods purchased by the Council remain higher than the underlying rate of CPI. There also remains some uncertainty regarding the direction of inflation over the longer term, which is in part compounded by rising global uncertainty.
- 36 On 6 February 2025, the Bank of England Monetary Policy Committee cut the base rate by 0.25% points to 4.50%, partly as a response to the reduction in CPI for the twelve months to December 2024. In doing so, the Bank of England issued a warning that interest rates may not continue to drop as quickly as previously expected. The rising Consumer Price Index for the twelve months to 31 January 2025 to 3% has further cooled the prospects of further reductions in the base rates at least in short term.
- 37 This report provides an updated forecast of the revenue and capital outturn for 2024/25, based upon expenditure and income up to 31 December 2024. It includes details relating to the General Fund revenue and capital budgets 2024/25, the Collection Fund for Council Tax and Business Rates and contains details relating to the Dedicated Schools Grant funding blocks, including the financial performance of our maintained schools.
- 38 The report also provides an update on the delivery of MTFP (14) savings for 2024/25. The 2024/25 savings plans were agreed by Council in February 2024 with a savings target of £8.083 million included in the budgets for the current year. This brings the overall savings for the period from 2011/12 to 2024/25 to circa £270 million. Significant progress has

been made towards achieving these in-year savings and an update on performance against the £8.083 million target is set out later in the report.

### **Costs outside the Cash limit - Inflationary and Capacity Pressures**

- 39 Energy prices have fallen further and more quickly than originally forecast in the 2024/25 budget. They are presently forecast to be lower than the budget (net of a shortfall on the budgeted level of income from power generated from the Council's Joint Stocks and gas credits) by £1.958 million. The forecasted energy costs have been supported by NEPO data and considers the forward purchasing strategy and remains in line with the underspend forecast at quarter two. Energy costs will continue to be monitored closely in conjunction with NEPO colleagues and a base budget reduction in energy costs has been applied to the MTFP (15) position.
- 40 As in previous years, the reduction in income arising from the temporary closures whilst refurbishment works are undertaken as part of the Leisure Transformation Programme has been treated as outside of services cash limit and picked up corporately. The 2024/25 reduced income is forecast as £0.510 million – slightly higher than the £0.459 million loss of income forecast at quarter two.
- 41 The growth in the use of temporary accommodation, has continued into 2024/25. The Housing Benefit Subsidy Grant reclaimed from the Department for Works and Pensions, on whose behalf the Council administers the scheme (in line with nationally set criteria) does not allow for full recovery of payments linked to temporary and supported accommodation, which has also increased in recent years. Whilst the 2024/25 budget was adjusted to offset this this pressure (a £2.6 million cost to the council), the 2024/25 year-end forecast has been updated and shows a net pressure of circa £0.883 million (increasing the subsidy loss position to £3.5 million) which will be funded corporately as outside of the service cash limit. The updated forecast shows a worsened position from quarter two (when a £0.683 million in-year overspend was forecast).
- 42 The increasing demand for statutory Education, Health and Care Plan Assessments over recent years has resulted in insufficient capacity within the Council's Educational Psychology Service and the wider Early Help Team to support the volume of assessments coming through. In September 2023, a short-term contract to increase Educational Psychology capacity was agreed to enable a better response to current demand within timescales whilst further work in the associated action plan and the delivery of the Delivering Better Value Programme with DfE funding is undertaken. A forecast £1.477 million has been funded corporately to support this, with the 2025/26 budget and MTFP (15) forecasts including provision for permanent budget growth in this area

from 2025/26. The updated forecast is £0.517 million greater than the forecasts reported at quarter two. However, overall forecast spend is in line with funding of £1.677 million agreed by CMT in September 2023.

- 43 The following table summarises all items treated as outside the cash limit at quarter three – the debits relate to unbudgeted costs / overspends that have been excluded and picked up corporately, whereas the credits relate to additional income or budget underspends that have been excluded and transferred to the corporate centre.

<b>Service Grouping</b>	<b>Items treated outside the cash limit and funded corporately via general reserves</b>	<b>Quarter 3 Position £million</b>
Resources	Housing Benefit subsidy shortfall	0.883
Resources	Coroners Service overspend	0.289
Resources CAC	Care leavers discount scheme	0.177
REG	Unachievable Leisure transformation income re closure period during refurbishment	0.510
REG	Park and Ride Extension removed	-0.256
REG	DLI Project	-0.145
CYPS	EHCP backlog (Educational Psychologists capacity)	1.477
CYPS	Newton Europe Review of Looked After Children Budgets	0.370
CYPS	LGPS and other 2023/24 charge reversal	-0.015
NCC	Depot Business Rates	0.095
<b>TOTAL</b>		<b>3.385</b>
All services	Energy	-1.958
<b>TOTAL</b>		<b>1.427</b>

### **Revenue Outturn Forecast – Based on Position to 31 December 2024**

- 44 Adjustments have been made to the original budget agreed by Council on 28 February 2024 for agreed budget transfers between service groupings (to reflect the transfer of functions to the Corporate Affairs Service within the Chief Executive’s Office from Resources, REG and AHS).
- 45 In addition, the forecasted outturn position takes into consideration:
- (a) items outside the cash limit to be funded by General Reserves (for Cabinet consideration and recommended approval);

- (b) planned use /contribution to earmarked reserves (Appendix 4);
- (c) planned use of general contingencies (for Cabinet consideration and recommended approval).

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

	Original Budget 2024/25	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Forecasted Variance	Total Contribution to / (Use of) Contingencies, sums outside the cash limit, DSGAA and Reserves	Adjusted Variance	Total Adjustment for inflationary sums outside the cash limit	Cash Limit Position
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult and Health Services	160,100	160,882	160,954	72	-1,380	-1,308	83	-1,225
Chief Executive's Office	4,613	18,499	19,120	621	-1,527	-906	61	-845
Children and Young People's Services	195,737	196,244	225,284	29,040	-16,134	12,906	151	13,057
Neighbourhoods and Climate Change	122,253	119,418	122,075	2,657	-1,867	790	-437	353
Regeneration, Economy and Growth	54,929	61,011	64,105	3,094	-4,811	-1,717	1,749	32
Resources	28,264	20,344	19,856	-488	-1,166	-1,654	1	-1,653
<b>Cash Limit Position</b>	<b>565,896</b>	<b>576,398</b>	<b>611,394</b>	<b>34,996</b>	<b>-26,885</b>	<b>8,111</b>	<b>1,608</b>	<b>9,719</b>
Contingencies	13,473	2,853	0	-2,853	2,334	-519	350	-169
Corporate Costs	4,059	4,059	4,006	-53	-70	-123	0	-123
<b>NET COST OF SERVICES</b>	<b>583,428</b>	<b>583,310</b>	<b>615,400</b>	<b>32,090</b>	<b>-24,621</b>	<b>7,469</b>	<b>1,958</b>	<b>9,427</b>
Capital charges	-56,481	-56,481	-56,481	0	0	0	0	0
DSG deficit reserve adjustment	-6,546	-6,546	-13,342	-6,796	6,796	0	0	0
Interest and Investment income	-8,800	-8,800	-8,697	103	0	103	0	103
Interest payable and similar charges	39,470	39,588	34,679	-4,909	0	-4,909	0	-4,909
Levies	17,520	17,520	17,535	15	0	15	0	15
<b>Net Expenditure</b>	<b>568,591</b>	<b>568,591</b>	<b>589,094</b>	<b>20,503</b>	<b>-17,825</b>	<b>2,678</b>	<b>1,958</b>	<b>4,636</b>
<b>Funded By:</b>								
Council tax	-283,639	-283,639	-283,639	0	0	0	0	0
Business Rates	-59,929	-59,929	-59,519	410	0	410	0	410
Top up grant	-78,907	-78,907	-78,907	0	0	0	0	0
Revenue Support Grant	-35,176	-35,176	-35,176	0	0	0	0	0
Estimated net surplus (-) / deficit on Collection Fund	-686	-686	-686	0	0	0	0	0
New Homes Bonus	-640	-640	-640	0	0	0	0	0
Section 31 Grant for business rates	-40,149	-40,149	-40,176	-27	0	-27	0	-27
Social Care Grant	-64,857	-64,857	-64,857	0	0	0	0	0
Services Grant	-888	-888	-889	-1	0	-1	0	-1
Lewy Account Surplus Grant	0	0	-1,068	-1,068	0	-1,068	0	-1,068
Use of earmarked reserves	-3,720	-3,720	-12,130	-8,410	8,410	0	0	0
Use of schools reserves	0	0	-4,681	-4,681	4,681	0	0	0
Forecast contribution to/from (-) Cash Limit Reserves	0	0	1,991	1,991	1,347	3,338	0	3,338
Forecast contribution to/from (-) General Reserves	0	0	-8,717	-8,717	3,387	-5,330	-1,958	-7,288
Total Funding	-568,591	-568,591	-589,094	-20,503	17,825	-2,678	-1,958	-4,636
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Forecast of Revenue Outturn 2024/25

47 There is a net £9.719 million overspend forecast in cash limit budgets based on the quarter three projections, which is £2.278 million more than the forecast outturn position at quarter two (£7.441 million cash limit overspend). This net overspend is largely due to demand and cost pressures in Children's Social Care. CYPS do not hold a Cash Limit Reserve and as such, the £13.057 million overspend in this service will need to be met corporately. Once the CYPS overspend is adjusted for, there is a net £3.338 million underspend in the other services' cash limit budgets forecast this year (compared to a forecast £2.076 million underspend at quarter two). This is broken down between underspending in Adult and Health Services, Resources and the Chief Executives Office

of a combined £3.723 million (£0.587 million higher than the £3.136 million underspend forecast at quarter two), offset by forecast overspending in Neighbourhoods and Climate Change and Regeneration, Economy and Growth of £0.385 million (£0.675 million lower than the £1.060 million overspend forecast at quarter two).

- 48 It is forecast that the corporate position will be a net overspend of £8.717 million – an increase of £3.383 million compared to the quarter two forecast. This overspend will need to be funded from the General Reserve and is primarily due to the overspend in CYPS of £13.057 million, which has been partially mitigated by forecast underspends in corporate costs (£0.294 million) and in capital financing budgets (net £4.806 million) following a managed approach to borrowing.
- 49 In line with previous years, it is forecast that the council will receive a return from the national business rate levy account of £1.068 million in 2024/25. This sum is not budgeted.
- 50 Combining the cash limit net underspend and corporate overspend position the overall forecast is for a £5.379 million overspend (0.95%) in 2024/25 against a £568.591 million budget.
- 51 The following sums are deemed to be outside of service grouping cash limits and it is proposed that these are funded from general contingencies.

<b>Service Grouping</b>	<b>Proposal</b>	<b>Quarter 3 £ million</b>
REG/ CEO	Premises dual running costs	0.096
REG	Radon Monitoring	0.043
REG/ CEO	Milburngate – Legal and Professional fees	0.668
REG	Catering Income reduction	0.167
REG	External Valuation costs	0.013
CYPS	Surplus Property - R&M	0.530
CYPS	Secure unit backdated allowances	0.332
CYPS/ Resources	Loss of SLA Income	0.145
Resources	Essential H&S Training	0.100
Resources	Long Service Awards	0.010
Resources	Occupational Health Succession Planning	0.028
CEO	Legal Assistant Support	0.077
NCC	Winter Boost Initiative	0.125
<b>TOTAL</b>		<b>2.334</b>

- 52 Approval is being sought for the above sums to be funded from the Corporate General Contingencies' budget in year.
- 53 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 2024	Movement during 2024/25 (including transfers)	Forecast Closing Balance as at 31 March 2025
	£million	£million	£million
<b>Service Grouping Cash Limit</b>			
Adult and Health Services	-5.833	1.692	-4.141
Chief Executive's Office	-0.864	-1.036	-1.900
Children and Young People's Services	-	-	-
Neighbourhoods and Climate Change	-0.570	0.333	-0.237
Regeneration, Economy and Growth	-1.462	0.032	-1.430
Resources	-1.135	-1.449	-2.584
<b>Total Cash Limit Reserve</b>	<b>-9.864</b>	<b>-0.428</b>	<b>-10.292</b>
<b>General Reserve</b>	<b>-32.061</b>	<b>8.717</b>	<b>-23.344</b>

- 54 The updated forecasts indicate that the reduction in the General Reserves will take the balance on this reserve below the minimum policy level requirement. As agreed by Council. A transfer of £4.899 million from the MTFP Support Reserve is required to top up the General Reserves back to the 5% minimum level of £28.243 million. A further transfer of £2.957 million (taking the total requirement to £7.856 million) will need to be actioned as we enter the new financial year to ensure the balance is 5% of the 2025/26 Net Budget Requirement. Cabinet should note that the cash limit reserves position for Neighbourhoods and Climate Change is forecast to reduce by 58% in year and reflect a very low proportion of these service's net budgets. The Cash Limit regime is being removed from 2025/26 onwards.

### Cash Limit Position

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

## **Adult and Health Services (AHS)**

- 56 The 2024/25 projected outturn for AHS, based upon the position to 31 December 2024 is a cash limit underspend of £1.225 million to the year end, representing circa 0.76% of the total revised budget for AHS. This compares to a forecast quarter two underspend of £1.374 million.
- 57 The forecast outturn considers 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. Forecast reductions in energy costs of £83,000 have also been excluded from the cash limit outturn position.
- 58 The AHS forecast outturn is based on the following assumptions:
- (a) the net position on vacant posts and supplies and services budgets across the service together with uncommitted budgets, results in an estimated net under budget position for the year of £1.442 million.
  - (b) net spend on adult care packages is £0.217 million under budget. This area of the budget continues to be closely monitored to assess demographic, inflationary and operational changes.
  - (c) net expenditure on Public Health related activity is in line with grant allocations, with any in year over and underspends being transferred to and from the Public Health Reserve.
- 59 In addition to the above, a net £1.380 million relating to contributions from reserves has been excluded from the cash limit outturn forecasts as follows:
- (a) £0.176 million net drawdown from the AHS Social Care Reserve to fund temporary staffing arrangements in year.
  - (b) £0.978 million drawdown from the AHS Integrated Care Reserve to fund temporary staffing arrangements and short-term projects agreed with the ICB.
  - (c) £0.567 million drawdown from the AHS Cash Limit Reserve to fund temporary staffing arrangements in year.
  - (d) £0.352 million net contribution to Public Health reserves to fund future Public Health related activity.

- 60 Taking the projected outturn position into account, including the transfers to/from and between reserves in year, the estimated cash limit reserve balance for AHS is forecast to be £4.141 million at 31 March 2025.

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

- 61 The 2024/25 forecast revenue outturn for the Chief Executive's Office is a cash limit underspend of £0.845 million representing 3.62% of the revised total Budget for CEO. This compares to a forecast £0.654 million underspend at quarter two.
- 62 The forecast outturn is based on the following issues:
- (a) Corporate Affairs is forecast to underspend by £0.703 million. The main reasons relate to a managed underspend in employee costs due to vacant posts held in advance of planned MTFP savings and a service restructure.
  - (b) Legal and Democratic Services is forecast to underspend by £0.141 million. This is the net of an overspend of £0.220 million relating to Childcare Litigation Barrister fees and the under achievement of land charges income £18,000 – offset by vacancy savings on difficult to fill legal posts £0.109 million, underspends of £85,000 in advance of planned MTFP savings and £0.185 million of overachieved Registrar Service income.
- 63 In arriving at the forecast outturn position, a net £1.199 million relating to the use of reserves has also been excluded from the outturn, with the major items being:
- (a) £0.141 million drawdown from the Transformation reserves to fund employee costs in 2024/25 associated with the Transformation project activity;
  - (b) £0.288 million drawdown from the CEO Cash Limit Reserve to fund employee and training costs for the Corporate Business Intelligence Project;
  - (c) £0.214 million drawdown from the Corporate Early Retirement and Voluntary Redundancy Reserve to fund redundancies;
  - (d) £0.200 million drawdown from the AHS – Grant Reduction Support reserve to fund employee costs in the Corporate Business Intelligence Project



- (e) £0.130 million drawdown from the CYPS – Project Support Integrated Steering Group Reserve to fund employee costs for the Corporate Business Intelligence Project; and
  - (f) £73,000 drawdown from the Resources Cash Limit Reserve to fund Intelligent-i support costs as part of the Corporate Business Intelligence Project.
- 64 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 CEO is forecast to be £1.900 million at 31 March 2025.

### **Children and Young People’s Service (CYPS)**

- 65 The 2024/25 projected outturn for CYPS, based upon the position to the end of December 2024 is a cash limit overspend of £13.057 million, representing a 7% overspend against the total revised budget for CYPS. This compares to a forecast overspend of £9.517 million at quarter two.
- 66 The projection excludes forecast use of / contributions to earmarked reserves and items outside the cash limit such as redundancy costs which are met from corporate reserves along with capital accounting entries.
- 67 The cash limit outturn projection excludes forecast use of and contributions to earmarked reserves.
- 68 Forecast net reductions in energy costs (£0.151 million), have been excluded from the cash limit outturn position. Also funded corporately is £1.477 million of expenditure relating to additional costs being incurred to tackle the backlog of Education, Health and Care Plans assessments and £0.370 million of expenditure relating to external consultancy support to review Children Looked After forecasts and a review of the Council’s Sufficiency Strategy and mitigation measures to address these pressures. In addition, £0.530 million of expenditure on surplus school sites and £0.332 million relating to backdated Community Homes Allowance payments to staff at Aycliffe Secure Centre have also been excluded and have been funded corporately via corporate contingencies.
- 69 The forecast outturn position factors in forecast overspends within Social Care of £14.127 million and underspends within Education and Skills of £0.974 million and Early Help, Inclusion and Vulnerable Children of £0.235 million.
- (a) Social Care is now forecast to be £14.127 million over budget for the year. This compares to a forecast overspend of £10.220 million at quarter two. The largest element of the overspend relates to the

budget for Children in Care (CiC) where an overspend of £10.356 million is forecast, £3.061 million more than the forecast overspend at quarter two of £7.475 million.

- (b) The pressure on the placements budget in children's social care has been evident for several years as the number of children in the care system has increased significantly and their needs have continued to become more complex. The budget for this area in 2024/25 is £77.051 million, inclusive of 2024/25 pay award, which is an increase of £15.151 million on the previous year.
- (c) Between quarter two and quarter three the number of CiC in an external residential placement has increased by 22, resulting in an increase of £4.314 million in the forecast for this area of the CiC budget from £35.178 million at quarter two to £39.492 million at quarter three.
- (d) The other main areas of pressure on the CiC budget are in relation to placements providing crisis intervention / intensive support. The budget for this area was estimated based on an average of 10 placements with an average cost of £0.686 million per placement per annum.
- (e) The placements during the period April 2024 to December 2024 highlights that both the number, and the average cost of these placements is running higher than budgeted and previously forecast. The forecast has therefore been amended with the assumption that for the remainder of 2024/25, there will be an average of 14 placements (at an average cost of £0.707 million per placement) per annum.
- (f) As a result, the forecast for crisis intervention placements is £10.356 million against a budget of £6.860 million, resulting in a forecast overspend of £3.496 million in this area. The forecast overspend on this part of the CiC budget has increased by £1.215 million since quarter two.
- (g) Other areas of the Social Care budget are forecast to overspend by a net £3.771 million, largely reflecting associated pressures linked to increased CiC numbers, including legal and professional expenses, supporting family time services, independent visitors and Social Work teams. These pressures have been recognised as part of the MTFP planning process and budgets are being increased accordingly for the 2025/26 financial year.
- (h) Education is forecasting an underspend of £0.974 million after taking account of adjustments for inflationary pressures. This compares to a forecast overspend of £0.493 million at quarter two.

The main reasons for the underspend position are highlighted below:

- (i) £1.137 million due to underspends against Early Years;
- (ii) £0.214 million against employee budgets, largely because of a staffing restructure in Education Durham and School Places and Admissions, to be implemented this summer;
- (iii) £0.133 million underspend against the budget for Further Education Pension Liabilities;

These underspends are offset by the following overspends:

- (iv) A forecast overspends of £0.321 million reflecting the anticipated shortfall against income budgets of £4.8 million for service level agreements with schools. This reflects a continuing financial pressure for the service largely because of schools converting to academy status.
- (v) A forecast overspends of £0.146 million relating to DCC-run nursery provision across four settings.
- (i) The Home to School Transport budget for 2024/25 is £32.736 million and it is still forecast that net expenditure will be in line with budget at this stage.
- (j) Early Help, Inclusion and Vulnerable Children is reporting an underspend of £0.235 million after adjusting for inflation pressures to be funded corporately. This compares to a forecast overspend of £0.223 million at quarter two. This underspend is mainly attributable to underspends in employee and activity budgets in the One Point and SEND service areas.
- (k) Expenditure of £1.477 million is included in the forecast for additional resources to tackle the backlog of EHCP requests. These costs fall largely in Educational Psychology and SEND Casework teams and associated corporate funding is also included, so there is a net nil impact from this on the service position. The updated forecast is £0.517 million higher than the position reported at quarter two.
- (l) Aycliffe Secure Centre is forecast to generate a surplus of £0.592 million in year, which will be transferred to the dedicated earmarked reserve at the end of the year. Occupancy rates have improved since the previous forecast, resulting in higher levels of income than previous forecasts when a £0.169 million surplus was previously forecast.

- (m) Expenditure of £0.331 million has been included in the forecast for backdated costs associated with Community Homes Allowance payments for staff at Aycliffe Secure Centre and this is to be funded from corporate resources, so there is a net nil impact on the service position.
- 70 The forecast cash limit outturn shows the position after a net £1.938 million transfer / drawdown from reserves, the major items being:
- (a) £1.500 million drawdown from the Integrated Care Reserve to fund a revenue contribution to capital for development of accommodation;
  - (b) £0.781 million drawdown from Progression and Learning Reserves to fund various NEET and employment support initiatives;
  - (c) £0.511 million drawdown from the Corporate ER/VR Reserve to fund Schools and Music Service forecasted redundancies;
  - (d) £0.407 million drawdown from the Family Hubs Reserve to fund the programme;
  - (e) £0.252 million drawdown from the Integrated Rapid Response Reserve to fund the service;
  - (f) £0.592 million contribution to the Secure Services Capital Reserve for future service delivery and capital projects.
  - (g) £0.200 million contribution to the Social Inclusion Reserve for future service delivery
- 71 Taking the forecast outturn position into account, there is a £13.057 million forecast overspend / deficit to 31 March 2025. This will, as in previous years, be funded corporately from the General Reserve due to the fact this Service has exhausted its cash limit reserves in previous years.

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

- 72 The forecast revenue outturn for 2024/25, based on the position to 31 December 2024, for NCC is a cash limit overspend of £0.353 million, representing circa 0.30% of the revised budget for NCC. This compares to a £0.415 million forecast overspend at quarter two.
- 73 The cash limit outturn projections exclude the forecast use of or contributions to earmarked reserves, and items treated as outside the cash limit, such as redundancy costs which are met from corporate reserves along with capital accounting entries. Net inflationary reductions

on energy (net underspend of £0.438 million) have been excluded from the cash limit outturn position along with £95,000 in relation to Depot Business Rates, and £0.124 million relating to the Winter Boost initiative.

74 The forecast outturn overspend is based on the following factors:

- (a) Environmental Services is forecast to be £0.836 million overspent. This is mainly due to overspends of £0.752 million on transport (with fuel and spot hire of vehicles being the most significant areas of overspend). In addition, there are overspends of £0.131 million on premises repairs, £0.119 million on the power generation equipment maintenance contract, and £0.441 million underachieved car parking income related to delays in implementing new charging arrangements at Noses Point, Seaham and at Crimdon. These overspends are partly offset by over-achieved income of £0.607 million in relation to fees and charges and contributions.
- (b) Highways is forecast to be underspent by £0.103 million. There is an underspend of £0.388 million due to overachievement of income on enforcement and inspections, including defect inspections and fixed penalty notices. Trading areas are also expected to overachieve their budgeted surplus by £0.621 million due to higher levels of activity, but this is offset by a forecast overspend of £0.920 million on highways maintenance work, mainly on gully emptying cyclic works, drainage, and bridge works.
- (c) Community Protection is forecast to be underspent by £0.322 million. This is due to vacancies not yet filled and difficulties recruiting into roles following turnover of staff, along with an overachieved MTFP (13) saving. There is also funding within the base budget to accommodate future increment increases associated with career grades, which isn't required this year.

75 A net £1.644 million relating to movement to and from reserves has also been excluded from the updated forecasts. The major items being:

- (a) £1.153 million drawdown relating to Clean & Green, Low Carbon and environmental issues;
- (b) £0.342 million contribution to Highways Permits and Adoption Reserve;
- (c) £0.279 million drawdown from the Winter Maintenance Reserve;
- (d) £0.181 million drawdown from the Community Protection ICT Reserve;

- (e) £0.378 million drawdown from the Horden Together Reserve;
- 76 Taking the projected outturn position into account, including the transfers to/ from and between reserves in year, the forecasted cash limit reserve balance for NCC will be £0.237 million at 31 March 2025.

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

- 77 The forecast revenue outturn for 2024/25, based on the position to 31 December 2024, is a broadly balanced position, with a small cash limit overspend of £32,000, representing circa 0.1% of the revised budget for REG, now forecast. This is an improved forecast and compares to a £0.645 million forecast overspend at quarter two.
- 78 The updated forecast considers adjustments for the expected use of reserves and items outside the cash limit, including redundancy costs which are met from the corporate reserve, capital accounting entries and use of / contributions to earmarked reserves.
- 79 Net adjustments on energy cost reductions of £1.749 million have been excluded from the cash limit forecast outturn position, together with £0.510 million in respect of Leisure Centre income shortfalls due to closures to accommodate the Leisure Transformation refurbishments that are being covered corporately.
- 80 Also excluded from the REG cash limit is a £0.256 million underspend in relation to the Sniperley Park & Ride route extension which has been deferred, a £0.145 million underspend on the Aykley Heads DLI / Cultural Venue revenue budget due to the delayed opening date, and £1.025 million of costs which has been covered from central contingencies: Facilities Management dual running net costs £0.144 million, under-achieved Catering income in relation to civic sites £0.167 million, Health & Safety radon gas works £43,000, external valuation costs £13,000 and legal / professional fees relating to the Milburngate development £0.658 million.
- 81 The outturn is a managed position, and work is underway to ensure that appropriate plans can be put in place to rectify or reduce the forecast overspend position as the year progresses. The main reasons accounting for the quarter three forecast outturn position are as follows:
- (a) Culture, Sport and Tourism is forecast to overspend by £1.331 million against budget. The main reasons are:
    - (i) Unrealised MTFP savings of £0.423 million relating to Culture for the Clayport Library restructure and remodel (£0.200 million), Sevenhills income (£75,000), Library Transformation co-location opportunities (£0.105 million),

dynamic ticketing on theatres (£30,000) and the asset transfer of Blackhill Park Lodge (£13,000).

- (ii) A £38,000 underspend within Culture relating to staff savings in lieu of future MTFP savings.
  - (iii) A £0.511 million anticipated overspend at the two completed leisure transformation sites (Abbey and Peterlee) and the three sites expected to complete in year (Spennymoor, Louisa and Teesdale) due to cost and income pressures not being in line with the levels anticipated / forecast as part of the Leisure Transformation programme.
  - (iv) A £0.370 million overspend within Leisure and Wellbeing because of unachieved staff turnover savings; and
  - (v) An overspend of £0.102 million relating to a previous service restructure relating to staff working in Theatres and Durham Town Hall.
- (b) Transport and Contract Services is forecast to underspend by £0.277 million against budget. The main reasons are:
- (i) Under-recovery of bus shelter advertising income of £0.148 million, which was a MTFP (13) saving, and an overspend on bus shelter repairs and maintenance of £21,000.
  - (ii) An overspend of £34,000 on Bus Stations due to business rates and cleaning costs at Durham Bus Station and additional security costs at Peterlee and Consett Bus Stations, offset by underspends at Bishop Auckland Bus Station following its closure in year whilst the capital works are progressed.
  - (iii) Increased business rate charges and contract costs on car parks of £0.150 million, £0.153 million underspends in Road Safety relating to employee and School Crossing Patrol vacancies and £0.393 million underspend on bus & rail contracts.
- (c) Planning and Housing is forecast to underspend by £26,000, the main reasons being:
- (i) Planning - anticipated underspend of £0.313 million, due to £0.204 million underspend on staffing offset by overspends on external legal fees of £60,000, subscriptions and postage

£33,000 and other minor overspends of £50,000. Planning fee income is forecast to break even, and there is also a reduction of £0.220 million in the agreed planning investment to other service areas;

- (ii) Chapter Homes – anticipated underspend of £61,000 mainly due to a vacant post;
  - (iii) Strategy & Delivery – anticipated overspend of £10,000 on staffing;
  - (iv) Building Safety & Standards - anticipated overspend of £31,000 largely in relation to under-achieved building control income £0.179 million, £22,000 overspend on LAD scheme, partially offset by staffing vacancies of £0.190 million;
  - (v) Housing Access and Independent Living – anticipated overspend of £0.379 million, comprised of an overspend of £0.455 million on Temporary Accommodation, offset by £76,000 overachieved income relating to CCTV monitoring.
- (d) Economic Development is forecast to underspend by £25,000 against budget which is largely due to one-off additional training income in Employment and Skills partly offset by overspends against Area Action Partnerships for unachieved staff turnover savings.
- (e) Corporate Property and Land is forecast to underspend by £0.809 million against budget. The main reasons are:
- (i) Building & Facilities Management – anticipated underspend of £93,000 due to £0.160 million unbudgeted income in relation to Spectrum 8, Seaham, offset by under-achieved income in public-facing catering venues of £42,000, and an unrealised MTFP saving (also Catering, of £71,000).
  - (ii) Business Development – anticipated underspend of £0.135 million on staffing and supplies & services;
  - (iii) Head of Service – anticipated underspend of £0.101 million on supplies & services;
  - (iv) Strategy & Property Management – anticipated underspend of £0.218 million in relation to ongoing re-structure and staffing underspends, partially offset by additional costs in relation to Freemans Reach energy centre, unbudgeted



business rates costs (Priory House), underachieved income on vacant properties and underachieved income for surveyor fees;

(v) Strategic Programmes – anticipated overspend of £0.208 million due to underspends on staffing.

(f) REG Central is forecast to underspend by £0.161 million against budget, which is predominantly a result of unallocated price inflation which is being held as a contingency sum in the service.

82 In arriving at the forecast outturn position, a net £3.678 million relating to movement on reserves has also been excluded from the outturn. The major items being:

(a) £1.713 million contribution to Transport reserves relating to the projected underspend in Concessionary Fares to support the future provision of bus services and routes;

(b) £1.473 million drawdown from Culture reserves to fund various initiatives in year;

(c) £0.318 million drawdown from Planning & Housing reserves to support work on Affordable Housing and Humanitarian projects in future years;

(d) £1.580 million drawdown from Economic Development reserves relating to Area Action Partnerships – primarily members neighbourhood budgets;

(e) £1.479 million drawdown from Corporate Property and Land reserves relating to property repairs & maintenance;

(f) £0.509 million drawdown from the Corporate Early Retirement and Voluntary Redundancy Reserve to fund redundancies.

83 Taking the projected outturn position into account, including the transfers to/from and between reserves in year, the forecasted cash limit reserve to be carried forward for Regeneration, Economy and Growth is £1.429 million at 31 March 2025

## **Resources**

84 The 2024/25 forecast revenue outturn for Resources is a cash limit underspend of £1.653 million, which is 8.14% of the revised budget. This compares to a £1.108 million forecast underspend forecast at quarter two.

- 85 The updated forecast factors in adjustments for sums outside the cash limit such as redundancy costs which are met from corporate reserves, capital accounting entries and the use of / contributions to earmarked reserves.
- 86 A £0.883 million overspend in relation to a forecast Housing Benefit Subsidy grant claim shortfall will be covered corporately and has been excluded from the cash limit outturn position. Also excluded is £0.258 million of costs to be met from general contingencies in relation to staffing costs linked to succession planning in the Occupational Health team, Health and Safety training, long service awards and loss of maintained school SLA income.
- 87 The outturn is a managed position, reflecting the proactive management of activity by service managers to remain within the cash limit. The outturn position is accounted for as follows:
- (a) Corporate Finance and Commercial Services is forecast to be under budget by £0.103 million, primarily due to underspends on employee costs, in lieu of MTFP (15) savings.
  - (b) Transactional and Customer Services is forecast to be under budget by £0.657 million, primarily due to underspends on employee costs of £0.427 million identified for MTFP (15) savings, £0.130 million underspend on supplies and services and £30,000 over achievement of income.
  - (c) Digital Services is forecast to be under budget by £0.318 million. Within this area there are forecast underspends on employees of £0.270 million and £0.168 million on software licensing, but this has been largely offset by underachievement of income, forecast to be £0.192 million.
  - (d) Internal Audit, Risk and Corporate Fraud is forecast to be under budget by £75,000, primarily due to a managed underspend on employee related expenditure because of staff turnover.
  - (e) HR and Employee Services is forecast to be over budget by £47,000, primarily due to unachievable SLA income.
  - (f) Procurement, Sales and Business Services is forecast to be under budget by £0.590 million. This is mainly due to vacant posts held in advance of further planned MTFP savings.
- 88 A net £25,000 relating to movement to and from reserves has also been excluded from the outturn. The major items transferred to and from earmarked reserves are summarised below:

- (a) £0.260 million drawdown from the Business Support Reserve to fund temporary posts to support the workload of the team in year;
  - (b) £0.191 million drawdown from the Corporate Early Retirement and Voluntary Redundancy Reserve to fund redundancies;
  - (c) £92,000 drawdown from the Assessment Support Admin Scheme Reserve to fund service packages;
  - (d) £0.400 million contribution to the Digital Services SLA Trading reserve to support in year SLA losses.
- 89 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 £2.584 million at 31 March 2025.

### **Resources – Centrally Administered Costs (Corporate Costs)**

- 90 The forecast revenue outturn for 2024/25 for Corporate Costs is a cash limit underspend of £0.123 million.
- 91 The outturn position includes the receipt of a Redmond Review Grant, to support local authorities with increased burdens of financial reporting and external audit costs, which has been received during 2024/25 and which was not factored into the budget.

### **Central Budgets**

- 92 There is £0.169 million of corporate contingencies budget not committed to 31 December, which is being reported as an underspend. This considers all known / forecast drawdown requirements as set out in this report. This position may change during the final quarter of the year, and if so, this will impact on the overall General Fund corporate outturn position.
- 93 The Interest Payable and Similar Charges - Capital Financing forecast outturn position of £34.679 million is £4.909 million lower than the £39.588 million budget. The forecast underspend reflects the council's ability to continue to delay actual borrowing whilst interest rates remain high. The level of cash balances currently held allows the council to use these funds to manage cash flow requirements in the short term.
- 94 The interest and investment income are forecast to be £0.130 million lower than the £8.8 million budget. This compares to a quarter two forecast which was £0.131 million below budget). Whilst the updated forecast shows a slight improvement on the previous quarter, the overall

budget position reflects reducing cash balances, thus leaving less scope to invest surplus cash for fixed periods.

- 95 The interest and investment income outturn forecast would be improved by around £1 million if the Council did not have to cash-flow the c.£24 million forecast dedicated schools' high needs grant deficit which has accumulated over recent years. The forecast impact of this deficit in 2025/26 is £1.137 million in interest forgone.
- 96 The table below highlights the change in borrowing and investments at the end of quarter three compared to the position at 31 March 2024:

	<b>Actual 31.03.24</b>	<b>Average Interest Rate</b>	<b>Actual 31.12.24</b>	<b>Average Interest Rate</b>
	<b>£million</b>		<b>£million</b>	
Borrowing (exc leasing & PFI)	412	3.12%	376	2.92%
Investments	217	5.65%	62	4.96%
<b>Net Debt</b>	<b>195</b>		<b>314</b>	

### Council Earmarked Reserves Forecast

- 97 Earmarked reserves are funds set aside for specific, known or predicted future expenditure. Appendix 4 details the council and maintained school earmarked reserves showing the opening balance on 1 April 2024, the forecast movement on reserves during the year and the forecast closing balance as at 31 March 2025.
- 98 A summary of the forecast of council reserves (excluding school reserves) is shown below. Earmarked reserves can be categorised as sums held for corporate purposes, sums held on behalf of partner organisations / external grants and other sums earmarked for specific purposes.
- 99 The summary table below highlights that the total earmarked and cash limit reserves are forecast to reduce by £10.139 million in 2024/25, from £176.307 million as of 1 April 2024, to £166.168 million by 31 March 2025. The movement in earmarked reserves is explained in the service grouping commentaries and the reduction in earmarked reserves is £2.749 million less than what was forecast at quarter two. Note that this position is prior to the required transfer to the General Reserve at year end and at the beginning of next financial year to maintain compliance with the councils Reserves Policy.
- 100 A summary of the expected movement in these reserves for each category is set out in the table below:

Type	Actual Balance on 1 April 2024 £ million	Adjusted for increase (-) / use of Earmarked Reserves £ million	Transfers Between Reserves £ million	Net Forecast Change in Year £ million	Forecast Balance on 31 March 2025 £ million
Earmarked – Corporate Reserves	-71.127	5.646	-	5.646	-65.481
Earmarked – Partner / External Grant	-22.880	2.467	0.841	3.308	-19.572
Earmarked - Other	-72.436	4.017	-2.404	1.613	-70.823
<b>Sub-Total</b>	<b>-166.443</b>	<b>12.130</b>	<b>-1.563</b>	<b>10.567</b>	<b>-155.876</b>
Earmarked - Cash Limit	-9.864	-1.991	1.563	-0.428	-10.292
<b>Total Earmarked Reserves</b>	<b>-176.307</b>	<b>10.139</b>	<b>-</b>	<b>10.139</b>	<b>-166.168</b>

- 101 Based on the quarter three position, cash limit reserve balances of £10.292 million are forecast at the year end, an in-year reduction of £0.428 million. This compares to quarter two forecast where it was forecast that the cash limit reserves would reduce during the year by £0.774 million.
- 102 The forecast cash limit and general reserves position is sufficient and prudent given the financial commitments and uncertainties facing the council and local government beyond 2024/25.
- 103 The council's current reserves policy aims to maintain a general reserve balance of between 5% (£28.2 million) and 7.5% (£42.4 million) of net budget requirement in the medium term. The quarter three forecast general reserve balance at 31 March 2025 is £23.344 million which is £4.899 million below the minimum 5% threshold and should this occur, would require a transfer from the MTFP Support Reserve at year end. A further uplift of £2.929 million to the General Reserve will be required as at 1 April 2025, to reflect an increased General Reserve balance due to the uplift in the 2025/26 Net Budget Requirement. This would reduce the earmarked reserves position set out above by £7.828 million in total.

## Dedicated Schools Grant

### Schools Block

- 104 The council currently maintains 135 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.

- 105 The council had 143 maintained schools at the time of setting the 2024/25 budget. Since then, seven schools have converted to academy status and one maintained nursery has amalgamated with a primary school.
- 106 The forecast position for the 135 maintained schools at quarter three is shown in the table below:

<b>Subjective Budget Heading</b>	<b>Original Budget</b>	<b>Quarter 3 Forecast</b>	<b>Forecast to Budget Variance</b>
	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>
Employees	195.161	203.523	8.362
Premises	13.505	11.54	-1.965
Transport	3.044	3.404	0.36
Supplies	32.818	35.856	3.038
Central Support & DRF	0.162	0.296	0.134
<b>Gross expenditure</b>	<b>244.69</b>	<b>254.619</b>	<b>9.929</b>
Income	-60.98	-75.603	-14.623
<b>Net expenditure</b>	<b>183.71</b>	<b>179.016</b>	<b>-4.694</b>
Budget share	179.25	177.122	2.128
<b>Use of reserves</b>	<b>4.46</b>	<b>1.894</b>	<b>-2.566</b>
Balance at 31 March 2024	25.093	25.093	-
<b>Balance at 31 March 2025</b>	<b>20.633</b>	<b>23.199</b>	<b>-2.566</b>

- 107 Based on the quarter three forecasts, maintained schools are estimating that they will use £1.894 million of their maintained schools' reserves to balance the in-year financial position. The required use of reserves has reduced by £2.566 million from the initial planned use of reserves which were assumed for budget setting purposes and is an improvement on the quarter two forecasts when £2.894 million of reserves were forecast as being required in year.
- 108 The main reason for this is additional grant income which has been received since the original budget setting process. This includes the Teachers' Pension Grant and the Core Schools Additional Grant.
- 109 The schools budget share has also changed as Business Rates costs have been removed. These will not be allocated through the school's delegated budget going forward.

- 110 The forecast position at individual school level indicates that a small number of schools may be in deficit at the end of the current financial year and that a more significant number of schools may not have sufficient reserves available to set a balanced budget in 2025/26.
- 111 The Council will work closely with schools to support the financial planning process to set balanced budgets for 2025/26, however it is likely that consideration will need to be given to approving licensed deficits for several schools next year due to cost challenges in schools and falling pupil roll numbers in some rural-based schools.

### Centrally Retained Blocks

- 112 The forecast outturn position for the centrally retained DSG budgets shows a projected overspend of £13.343 million as detailed below:

<b>DSG Block</b>	<b>Budget £million</b>	<b>Outturn £million</b>	<b>Over / (Under) Spend £million</b>
High Needs	89.703	103.046	13.343
Early Years	53.402	53.402	-
Central Schools Services	3.319	3.319	-
<b>TOTAL</b>	<b>146.424</b>	<b>157.996</b>	<b>13.343</b>

- 113 The High Needs Block (HNB) budget for 2024/25 was set based on an assumed unfunded deficit of £6.547 million, due to the significant gap between high needs funding levels and high needs financial pressures.
- 114 The forecast at quarter three is for an overspend of £13.343 million against grant allocation for 2024-25. This compares to a forecast overspend of £11.572 million at quarter two, an increase in the deficit of £1.771 million on the previous forecasts and more than double the deficit anticipated at the time the base budget was set.
- 115 This forecast overspend position will increase the HNB cumulative deficit position from £10.595 million at 31 March 2024 to £23.938 million by 31 March 2025.
- 116 The main reasons for forecast overspend of £6.796 million (over and above the budgeted deficit already assumed, of £6.547 million) are detailed below:

Budget Heading	Budget	Quarter 3 Forecast	Quarter 3 Over / (Under) Spend	Quarter 2 Over / (Under) Spend	Change Quarter 2 to Quarter 3
	£million	£million	£million	£million	£million
Special Schools	39.334	41.713	2.379	2.350	0.029
Independent Special	8.389	11.548	3.159	1.338	1.821
Mainstream provision (0-16)	28.101	28.799	0.698	0.491	0.207
Mainstream provision (post-16)	6.463	6.562	0.099	-	0.099
Central provision	4.395	4.403	0.008	-0.031	0.039
PRU and other AP	13.691	14.144	0.453	0.877	-0.424
<b>Total</b>	<b>100.373</b>	<b>107.169</b>	<b>6.796</b>	<b>5.025</b>	<b>1.771</b>
Grant	93.826	93.826	-	-	-
<b>Surplus / Deficit (-)</b>	<b>-6.547</b>	<b>-13.343</b>	<b>-6.796</b>	<b>-5.025</b>	<b>-1.770</b>

- 117 The cost of provision for pupils in special schools in Durham is forecast to be £41.713 million against a budget of £39.334 million, resulting in a forecast overspend of £2.379 million - £0.875 million of this is for additional places in special schools over and above those planned in the budget, and £1.445 million is for additional top up funding support for individual pupils (including £0.349 million of backdated support relating to 2023/24).
- 118 Based on current placement register information the quarter three forecast position for independent placements is £11.548 million, resulting in a forecast overspend of £3.159 million over budget. This is an increase of £1.821 million since quarter two forecast.
- 119 The Woodlands school is funded from the high needs budget and operates as a local authority Pupil Referral Unit (PRU) and supports pupils with Education Health Needs (EHN). The budget for The Woodlands for 2024/25 is £11.835 million.
- 120 The forecast outturn for The Woodland is £12.288 million, resulting in a forecast overspend of £0.877 million. This is a reduction in the forecast overspend by £0.424 since quarter two. This net overspend figure reflects a larger overspend of £0.884 million on PRU activities, offset by an underspend of £0.431 million for EHN provision.
- 121 Expenditure on mainstream top-up funding is forecast to be £24.610 million against a budget of £23.723 million, resulting in a forecast overspend of £0.887 million.



- 122 The significant and increasing HNB deficit position is a serious concern for the Council and many other local authorities. The exceptional accounting override that allows councils to exclude High Needs Block deficits from their main council general revenue funding position is due to end in 2026/27, from which point thereafter, the cumulative High Needs Block deficit could need to be funded by Council revenue reserves from 2026/27.
- 123 Phase one of the HNB Sustainability Programme which came to an end in the summer of 2023, focussed on nine key areas as agreed by Cabinet in 2019 and reported previously.
- 124 Phase two of our HNB Sustainability Programme commenced in September 2023, with a major part of it being implementation of the DfE supported Delivering Better Value in SEND work along with further work on Social, Emotional Mental Health and Early Years Funding.
- 125 Engagement with all schools and settings in Durham is underway to consider all areas of expenditure across the high needs block to determine where it may be possible to make savings and / or prioritise spending.
- 126 For the Early Years Block, indications are that there is likely to be an underspend against grant allocation, however it is difficult to predict as the new entitlements are rolled out during the year.
- 127 The impact of the current forecast on the DSG reserves position is shown in the following table:

<b>DSG Reserves</b>	<b>High Needs Block £million</b>	<b>Early Years Block £million</b>	<b>Schools Block £million</b>	<b>Total £million</b>
<b>Balance as at 1 April 2023</b>	<b>-8.635</b>	<b>0.722</b>	<b>0.781</b>	<b>-7.132</b>
2022/23 Early Years Block Adjustment	-	-0.359	-	-0.359
Use- / Contribution in 2023/24	-1.960	0.434	0.330	-1.196
<b>Balance as at 1 April 2024</b>	<b>-10.595</b>	<b>0.797</b>	<b>1.111</b>	<b>-8.687</b>
2023/24 Early Years Block Adjustment	-	-0.413	-	-0.413
Forecast Use - / Contribution in 2024/25	-13.343	-	-	-11.572
<b>Forecast Balance as at 31 March 2025</b>	<b>-23.938</b>	<b>0.384</b>	<b>1.111</b>	<b>-22.443</b>

- 128 The overall DSG reserve was in deficit of £8.687 million at the start of the financial year, largely because of the accumulated deficit position of

£10.595 million in relation to the high needs block. The overall deficit position is now forecast to increase to £22.443 million to the year end, which includes a clawback of £0.413 million relating to Early Years funding from 2023/24.

- 129 The HNB cumulative deficit is forecast to increase to £23.938 million to 31 March 2025. This deficit will be held in an unusable reserve, in line with the exceptional statutory override, which was introduced and continued by the previous government, and will run until 31 March 2026.

## **Capital**

- 130 The 2024/25 original budget of £361.901 million was revised at Cabinet on 4 December 2024 as part of the quarter two outturn report and a revised budget of £348.657 million was agreed. A further revision to the capital programme was approved as part of the 2025/26 Budget and MTFP (15) report to Cabinet on 12 February 2025, which resulted in a revised budget of £288.096 million for 2024/25. This report sets out further updates and revisions to the capital programme.
- 131 Throughout the year, the Capital Member Officer Working Group (MOWG) continually reviews progress in delivering the capital programme to consider changes in planning and delivery timescales and analysis of changes in demands on resources.
- 132 There are inherent risks in the capital programme, both in terms of construction costs potentially being underestimated at the design and feasibility stages of a project, inflation risks and a risk of interest rates continuing to stay relatively high, meaning that borrowing costs will likely exceed the budget provision when future borrowing is taken out.
- 133 In light of the risks and challenges inherent in the current capital programme commitments, alongside the low level of contingency provision available to support the MTFP(15) capital programme agreed by Council on 19 February 2025, a full review of the current capital programme commitments has been undertaken, with the aim of identifying schemes that could be considered for withdrawal or deferral from the existing capital programme, based on an individual scheme's contractual status, so that capital resources could be redirected to meeting mounting capital cost pressures and provide sufficient capital contingencies in 2025/26 and 2026/27 to offset known or potential overspends on some schemes and to support the development of MTFP(15) capital programme. More details of these emerging capital pressures will be provided as part of ongoing quarterly updates.
- 134 The proposals have been informed by input from all service grouping management teams, Heads of Service and key project sponsors involved

in the capital programme delivery and have been reviewed by Corporate Management Team and the Capital Member Officer Working Group

- 135 This review has highlighted several emerging capital overspend pressures, some of which are not yet fully quantified but where expenditure is expected to exceed the current budget allocation, which need to be considered in later reports to the Cabinet.
- 136 The scope of the exercise involved reviewing those schemes that are fully or partially funded by prudential borrowing, which were not determined to be self-financed, and which could be withdrawn or delayed into later years (and perhaps, if still considered a corporate priority, could be funded from a later-year's capital growth allocations).
- 137 The review identified a small number of schemes that can be entirely withdrawn or delayed, effectively pre-committing future capital programmes. This is considered possible due to a combination of the contractual status of the schemes in scope and the essential nature of the spend, both in terms of meeting corporate and statutory objectives.
- 138 The schemes which have been identified as in scope for withdrawal or deferral, subject to Cabinet approval, total £12.4 million and are detailed below:
- (a) Leisure Transformation (Unprogrammed) - part of £10 million funding earmarked for Chester-Le-Street and Seaham Leisure Centres as part of the Leisure Transformation Programme. From this budget, just over £1 million is currently earmarked for major repairs at Chester-Le-Street Leisure Centre, no other works are currently programmed. In recognition of the Cabinet commitment to new builds once funding becomes available, it is recommended that £5 million could be delayed until a way forward and additional funding is agreed and to avoid wasted expenditure in facilities that are to be replaced with new builds.
- In reallocating the £5 million into capital contingencies, it is recognised that these two sites retain significant risks around the potential need for more significant reactive and unavoidable investment, which would have to be undertaken if urgent works were required in order to ensure service provision was retained whilst the funding for the new builds is secured.
- (b) Council House Building Programme – a budget allocation of £4.342 million is currently held within the Capital Programme to support investment in Council Housing development sites where there is an affordability / viability funding gap, i.e. where a scheme is unviable but there are sound reasons for progressing (e.g. regeneration objectives). There is no requirement at this stage to gap-fund any

house building schemes in development due to viability issues. It is therefore recommended that £2 million of this £4.342 million borrowing allocation is delayed and immediately released into contingencies, with any further schemes only approved which meet the principles of meeting self-financing criteria.

- (c) Housing development Fund - £3 million – officers have considered the planned spending profile of this scheme and the opportunity to reclassify this scheme as a self-financing scheme, which would tighten the criteria for assessing approved schemes to ensure the investment on a council-owned site for a housing developer is only approved where there is a demonstrable recovery of those costs via a capital receipt from a housing developer. On that basis it is proposed to release this budget and bolster capital contingencies accordingly.
- (d) Finance Durham Investment Fund – At the inception of the investment fund, it was agreed that the Council would invest up to £15 million capital into Finance Durham. The current budget of £2 million is the remaining budget from the original £15 million commitment. No further drawdown is required from the uncommitted balance at this stage, and the custodians of the Fund have confirmed they can reinvest recycled/repaid investments moving forwards. On that basis it is proposed to transfer this sum to capital contingencies and if the £2 million is required in future years that this is prioritised from future capital resource allocations in MTFP (16) and beyond.
- (e) The review identified that there is a £0.4 million budget relating to Building Schools for the Future allocation for schools which were built under PFI. This allocation has remained unused and uncommitted to specific schemes has been re-phased for several years in a row now. There is a commitment to use this funding to update the PFI school infrastructure between now and 2036 when the PFI contract ends, but there is no immediate requirement to utilise these funds now, and if required, this could be supplemented by deferred borrowing in later years. On that basis it is proposed to transfer this sum to capital contingencies and if required in future years that this is prioritised from future capital resource allocations in MTFP (16) and beyond.

139 Since the revised 2024/25 budget was agreed at Cabinet on 12 February 2025, further changes have been identified that require Cabinet approval:

- (a) **A19 Junction Improvements:** An additional £1.364 million is required to be allocated from capital contingencies to partially cover a forecast overspend on the A19 junction improvements of £3.689

million. This will allow sufficient budget and risk contingency to complete the scheme. To fund the balance, it is proposed that a transfer of £2.1 million from the Ferryhill Railway Station capital scheme is actioned also. This budget allocation has previously been identified for delivering a new unmanned station at Ferryhill on the Stillington Line, but which is currently not contractually committed. Following the £2.1 million transfer, there will be £0.230 million left in the Ferryhill Railway Station capital budget, which is available to help develop a full business case for the Ferryhill Railway Station, in the event of future funding streams coming forward.

- (b) **Woodhouse Close Leisure Centre:** An additional £0.969 million uplift in the budget is required to reflect the updated estimated costs in lieu of concluding the procurement exercise to secure a contractor. This will be funded via a transfer from corporate capital contingencies. In addition, £0.250 million of additional capital grant has been secured from Sport England, which will also augment the capital budget. The total capital budget (inclusive of professional fees) following these adjustments will be £27.826 million.
- (c) **Newton Aycliffe Housing Infrastructure Fund** - £0.445 million is to be transferred from the Local Transport Fund budget allocation in 2025/26 to the Newton Aycliffe Housing Infrastructure Fund to reflect revised cost estimates for the project.
- (d) **Hartley Gardens Acquisitions** - A £0.712 million addition is proposed on a self-financing basis, to allow for the purchase of four 3-bedroom dwellings from Chapter Homes Durham Limited. The properties are located within a new-build residential development scheme at Gilesgate, Durham. The properties will be provided as affordable housing to rent as part of the council house delivery programme and the investment is in recognition of the Housing First approach / motion considered by Council last year.
- (e) **Spennymoor Town Centre Cheapside Site** - A £0.194 million addition is proposed for three projects adjacent to the Cheapside Site in Spennymoor. These involve improvement works to Holburn Corner, Gobo Lighting in Cheapside community garden site and new railings and render to wall elevation at the rear of Cheapside. The projects were planned to be undertaken as part of the Spennymoor Long Term Plan for Towns (LTPT), however the government grant has not been received yet, so the projects will be funded from corporate capital contingencies instead.
- (f) **Locomotion** – A £0.250 million addition from corporate capital contingencies is proposed for Locomotion New Hall to cover the

council's share of overspend on the project. The overspend is linked to inflationary pressures, as well as greater than anticipated contamination of the land, changes in the requirements around the drainage scheme and coal seam issues.

140 Capital tables within this report reflect changes to service grouping structures, in particular Members Neighbourhood Budgets and AAP Budgets transferring from NCC to REG and several capital schemes transferring from Resources to Chief Executive's Service. Changes to service grouping structures in relation to Transport and Contracted Services transferring from REG to NCC and Corporate Property and Land transferring from REG to Resources are not reflected in the capital tables and will only be implemented from 1 April 2025.

141 The table below summarises the current capital budget for approval, incorporating the changes outlined above alongside the original budget for information. The table also shows the actual capital spend as at 31 December 2024:

<b>Service Grouping</b>	<b>Original Budget 2024/25</b>	<b>Revised Budget 2024/25 Cabinet 12/02/25</b>	<b>Amendments recommended by MOWG</b>	<b>Revised Budget 2024/25 Quarter 3</b>	<b>Actual spend to 31 December 2024</b>
	<b>£million</b>	<b>£million</b>	<b>£million</b>	<b>£million</b>	<b>£million</b>
Adult and Health Services	0.740	0.740	-	0.740	0.740
Children and Young People's Services	98.275	62.506	-	62.506	40.333
Neighbourhoods and Climate Change	84.828	51.547	-	51.547	30.520
Regeneration, Economy and Growth	169.396	167.539	1.363	168.902	103.810
Resources	8.662	4.563	-	4.563	3.274
Chief Executive Service	-	1.201	-	1.201	0.726
<b>TOTAL</b>	<b>361.901</b>	<b>288.096</b>	<b>1.363</b>	<b>289.459</b>	<b>179.404</b>

142 The capital programme is financed from various funding sources which include grants, capital receipts, revenue contributions, contributions from

earmarked reserves and prudential borrowing. The following table summarises changes to the financing of the 2024/25 capital budget.

<b>Financed By:</b>	<b>Original Budget 2024/25</b>	<b>Revised Budget 2024/25 Cabinet 12/02/25</b>	<b>Amendments recommended by MOWG</b>	<b>Revised Budget 2024/25 Quarter 3</b>
	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>
Grants and Contributions	125.995	140.087	-	140.087
Revenue and Reserves	3.991	8.584	2.900	11.484
Capital Receipts	3.446	3.351	-	3.351
Self- Financing Borrowing	62.942	59.974	-	59.974
DCC Prudential Borrowing	165.528	76.100	-1.537	74.563
<b>TOTAL</b>	<b>361.901</b>	<b>288.096</b>	<b>1.363</b>	<b>289.459</b>

143 Considering the above amendments, which include the reprofiling of capital budgets from 2024/25 to future years and budget additions and deletions described earlier in the report, the revised capital programme for 2024/25 to 2027/28 is summarised in the table below.

<b>Service Grouping</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>TOTAL</b>
	<b>£million</b>	<b>£million</b>	<b>£million</b>	<b>£million</b>	<b>£million</b>
Adult and Health Services	0.740	-	-	-	0.740
Children and Young People's Services	62.506	52.050	8.449	1.795	124.801
Neighbourhoods and Climate Change	51.547	61.932	5.978	0.115	119.571
Regeneration, Economy and Growth	168.902	178.237	55.078	2.735	404.952
Resources	4.563	6.480	1.988	-	13.031
Chief Executive	1.201	0.736	-	-	1.937
<b>TOTAL</b>	<b>289.459</b>	<b>299.435</b>	<b>71.492</b>	<b>4.645</b>	<b>665.032</b>

144 Financing of the 2024/25 to 2027/28 Capital Programme is detailed in the table below.

<b>Financed By:</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>TOTAL</b>
	<b>£million</b>	<b>£million</b>	<b>£million</b>	<b>£million</b>	<b>£million</b>
Grants and Contributions	140.087	79.101	4.765	-	223.953
Revenue and Reserves	11.484	2.387	0.458	0.454	14.783
Capital Receipts	3.351	3.967	2.967	-	10.285
Self- Financing Borrowing	59.974	28.680	14.950	-	103.603
DCC Prudential Borrowing	74.564	185.300	48.352	4.191	312.407
<b>TOTAL</b>	<b>289.459</b>	<b>299.435</b>	<b>71.492</b>	<b>4.645</b>	<b>665.032</b>

### **Prudential Indicators**

145 The Local Government Act 2003 requires the council to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow.



146 The objective of the Prudential Code is to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. To demonstrate that the council has fulfilled these objectives, the Prudential Code sets out indicators that must be monitored and reported quarterly.

### Capital Financing Requirement (CFR)

147 The CFR is a measure of the council's underlying borrowing need for capital purposes. It includes other long-term liabilities (PFI schemes and finance leases), though these arrangements include an integral borrowing facility, so the council does not need to borrow separately for them.

148 In the table below, the original CFR estimate for 2024/25 is the position reported to Council on 28 February 2024 as part of the council's Annual Treasury Management Strategy. The council's actual CFR at 31 March 2024 of £586.318 million was reported to Council on 17 July 2024 as part of the Treasury Management Outturn Report. Updated estimates based on the forecasts as at 31 December 2024 are as follows:

	<b>2024/25 Original £million</b>	<b>2024/25 Estimate £million</b>	<b>2024/25 Variance £million</b>	<b>2025/26 Estimate £million</b>	<b>2026/27 Estimate £million</b>
Opening CFR	618.392	586.318	-32.074	718.878	922.053
Add net borrowing requirement for the year	255.331	134.537	-120.794	213.980	63.302
Add leasing & PFI requirement for the year	9.657	17.866	8.209	5.832	13.347
Deduct MRP/VRP and other financing movements	-19.586	-19.843	-0.257	-16.637	-20.451
<b>Closing CFR</b>	<b>863.793</b>	<b>718.878</b>	<b>-144.915</b>	<b>922.053</b>	<b>978.251</b>

### Gross Debt and the Capital Financing Requirement (CFR)

149 To ensure that debt held will only be for capital purposes, the council should ensure debt does not exceed the CFR. This is a key indicator of prudent management of the Council's debt position, in terms of ensuring the council does not borrow more than need for short or prolonged periods and maintains a suitable level of cash and solvency. The table

below shows how the council plans to comply with this requirement, which shows gross borrowing continues to be less than the CFR:

	<b>2023/24 Actual £million</b>	<b>2024/25 Estimate £million</b>	<b>2025/26 Estimate £million</b>	<b>2026/27 Estimate £million</b>
Borrowing	411.632	424.770	640.320	880.813
Finance leases	48.760	56.772	53.118	55.610
PFI liabilities	33.887	33.535	33.166	32.781
<b>Total Gross Debt</b>	<b>494.279</b>	<b>515.077</b>	<b>726.605</b>	<b>969.205</b>
Capital Financing Requirement	<b>586.318</b>	<b>718.878</b>	<b>922.053</b>	<b>978.251</b>
<b>Under/(Over) Borrowed</b>	<b>92.039</b>	<b>203.801</b>	<b>195.448</b>	<b>9.046</b>

### Operational Boundary

150 This is the limit which gross debt is not normally expected to exceed and approximates to the CFR for a given year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached:

	<b>2024/25 £million</b>
<b>Operational Boundary Limit</b>	720.000
<b>Estimated Gross Debt 31 March 2025</b>	515.077
<b>Headroom</b>	<b>204.923</b>

### Authorised Limit

151 This represents a control on the maximum level of borrowing and is a statutory limit determined under section 3 (1) of the Local Government Act 2003. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term:

	<b>2024/25 £million</b>
<b>Authorised Limit</b>	774.000
<b>Estimated Gross Debt 31 March 2024</b>	515.077
<b>Headroom</b>	<b>258.923</b>

## **Maturity Structure of Borrowing**

152 This indicator is set to control the council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing for 2024/25 are shown in the table below alongside estimated figures at 31 March 2025:

	<b>Lower Limit</b>	<b>Upper Limit</b>	<b>2024/25 Estimated</b>
Under 12 months	0%	20%	1%
12 months to 2 years	0%	40%	7%
2 years to 5 years	0%	60%	13%
5 years to 10 years	0%	80%	17%
10 years and above	0%	100%	62%

## **Council Tax and Business Rates Collection Funds**

### **Council Tax**

153 Council Tax is charged for all residential dwellings in bandings agreed by the Valuation Office Agency. Exemptions, reliefs and discounts are awarded dependent upon the state of the property, its use and occupiers' personal circumstances.

154 The in-year collection rate at 31 December 2024 was 81.03%, a 0.8 percentage point reduction on the position as at 31 December 2023 (81.83%).

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

<b>Billing Year</b>	<b>Position at 31 December each year %</b>
<b>2024/25</b>	<b>81.03</b>
2023/24	81.83
2022/23	80.52

- 156 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.
- 157 Actual cash collected as at 31 December 2024 was £300.191 million compared with £281.252 million as at 31 December 2023. When the council tax increases for 2024/25 are factored in this represents a year-on-year real terms increase of £2.832 million in terms of council tax income received.
- 158 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 these adjustments mean that the actual amounts collected will always differ from the original budget.
- 159 Such differences at the end of each accounting year, after considering the calculated change required in impairment allowance, determines whether a surplus or deficit has arisen, which is then shared proportionately between the council and its major preceptors, these being Durham Police Crime and Victim's Commissioner and County Durham and Darlington Fire and Rescue Authority.
- 160 In terms of the in-year position for the council tax element of the Collection Fund at 31 December 2024, the estimated outturn is a surplus of £0.974 million in year, with the council's share of the in-year surplus being £0.818 million.
- 161 After considering the improved 2023/24 outturn position resulting in a £0.836 million reduction in declared deficit, and the forecast in year surplus of £0.974 million, the overall forecast for the council tax element of the Collection Fund is a £1.810 million surplus. The council's share of this overall surplus is £1.523 million.

162 The total position for the Council Tax element of the Collection Fund for 2024/25 is detailed in the following table:

	<b>£ Million</b>
Net Bills issued during Accounting Year 2024/25	426.938
LCTRS and previous years CTB adjustments	-65.780
Calculated change in provision for bad debts required and write offs	-3.662
<b>Net income receivable (a)</b>	<b>357.496</b>
<b>Precepts and Demands</b>	
Durham County Council	283.638
Parish and Town Councils	16.226
Durham Police Crime and Victim's Commissioner	39.336
County Durham and Darlington Fire and Rescue Authority	17.322
<b>Total Precepts and Demands (b)</b>	<b>356.522</b>
<b>Net Surplus / (-) Deficit for year (a) – (b)</b>	<b>0.974</b>
<b>Undeclared Surplus / (-) Deficit brought forward from 2023/24</b>	<b>0.836</b>
<b>Estimated year end surplus</b>	<b>1.810</b>

## Business Rates

- 163 Business Rates Retention was implemented in 2013/14, and the council therefore has a vested budget interest and stake in the level of business rate yield due to the fact it can retain a share of any Business Rates Growth in the County (but is also exposed to any significant drops in the overall business rates liability).
- 164 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 that is important.
- 165 The in-year collection rate at 31 December 2024 was 82.23%, which is 0.22 percentage points above the equivalent position last year of 82.01%.

The in-year collection rates at the end of quarter three for the current and last two financial years, are as follows:

<b>Billing year</b>	<b>Position at 31 December each year %</b>
<b>2024/25</b>	<b>82.23</b>
2023/24	82.01
2022/23	90.93

- 166 In terms of the in-year position for the business rate element of the Collection Fund as at 31 December 2024, the estimated outturn for the year is an in-year surplus of £3.627 million of which the council's 49% share is £1.778 million.
- 167 After considering the revised undeclared 2023/24 deficit of £0.074 million and the forecast in year surplus of £3.627 million the overall forecast for the business rate element of the Collection Fund is a £3.553 million surplus, of which the council's share is £1.742 million.
- 168 The total position for the Business Rates element of the Collection Fund for 2024/25 is detailed in the following table:

	<b>£ Million</b>
Net rate yield for 2024/25 including previous year adjustments	126.134
Estimate of changes due to appeals lodged and future appeals	1.875
Estimated losses in Collection – Provision for Bad Debts and Write-offs	-1.557
<b>Net income receivable (a)</b>	<b>126.452</b>
Agreed allocated shares:	
Central Government (50%)	60.836
Durham County Council (49%)	59.619
County Durham and Darlington Fire and Rescue Authority (1%)	1.217
Cost of Collection Allowance and Renewable Energy (paid to Durham County Council)	1.153
<b>Total payments (b)</b>	<b>122.825</b>
<b>Net surplus for year (a) – (b)</b>	<b>3.627</b>
<b>Undeclared Surplus / (-) Deficit brought forward from 2023/24</b>	<b>-0.074</b>
<b>Estimated year end surplus</b>	<b>3.553</b>

169 Considering the forecast positions at the end of quarter three for council tax and business rates, the overarching position for the council in terms of the 2024/25 Collection Fund are as set out below, which is an overall £3.265 million surplus.

	<b>£ Million</b>
Council Tax Surplus	1.523
Business Rates Surplus	<u>1.742</u>
<b>NET SURPLUS</b>	<b><u>3.265</u></b>

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

170 Small businesses (ratepayers occupying 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.

171 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%.

- 172 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.
- 173 At 31 December 2024, the gross small business relief awarded against the 2024/25 business rates bills and adjustments to 2013/14 to 2023/24 bills is £17.273 million, and the council will receive £5.759 million in Section 31 grant. The Section 31 Grant relative to the small business rates relief is forecast as per budget.

### **Other Section 31 Grants**

- 174 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. In 2021 the Non-Domestic Rating (Public Lavatories) Bill came into force which gives public lavatories 100% relief from business rates, this applies retrospectively from 1 April 2020. Funding for these schemes is provided through Section 31 grants.
- 175 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. Other collection fund related Section 31 grants are this stage forecast to be circa £0.184 million lower than budget in relation to under-indexation. This has been considered within the overall outturn position.

### **Update on Progress towards achieving MTFP (14) savings.**

- 176 The delivery of the MTFP (14) 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.



177 MTFP (14) savings proposals for 2024/25, agreed by County Council on 28 February 2024 total £8.083 million.

178 At 31 December 2024, savings totalling £6.611 million, representing 81.8% of the £8.083 million total savings target have been delivered.

179 There are circa £1.167 million of MTFP savings that have been factored into budgets in 2024/25 (14.44% of the total savings agreed in 2024/25), that are forecast not to be achieved in year, and which are therefore impacting on the cash limit outturns. The forecast undelivered savings are detailed below, with work underway to mitigate these within Neighbourhoods and Climate Change and Regeneration, Economy and Growth:

Service	Savings Description	Total Savings Requirement in 2024/25 Budget	Not Achieved in 2024/25
		£	£
NCC	Increased income in Highways – Increases would relate to licensing income and developer contributions	215,000	128,000
NCC	Increase in Fees and Charges within Environmental Services – Increase would relate to Refuse & Recycling. Fixed Penalty Notices, and Durham Crematoria Surplus	235,000	40,000
NCC	Income generation at Coastal Destinations – Additional Income generation opportunities including introduction of car parking charges at Seaham and Crimdon	462,100	420,100
NCC	Alternative Funding for Highways staff – capital and income	200,000	30,000
NCC	Review of Pest Control Charging – Review of the existing pricing for domestic and commercial treatments, including retention of support for households on council tax relief scheme	10,000	10,000
<b>TOTAL NCC</b>			<b>628,100</b>
REG	Theatre Ticketing – introduction of dynamic pricing. A revised approach to how and when tickets are sold to increase and offer greater customer choice	30,000	30,000
REG	Library transformation including Sevenhills lease – Review of built service offer about co-location opportunities, delivery models and tech solutions (MTFP13 - £75,000, MTFP14 £105,000)	180,000	180,000

Service	Savings Description	Total Savings Requirement in 2024/25 Budget	Not Achieved in 2024/25
		£	£
REG	Library transformation – Clayport Library Restructure and Remodel. Remodel and update the library to create high quality environment to meet modern public requirements	200,000	200,000
REG	Strategic Traffic – increase in advertising revenue	25,000	25,000
REG	Culture - Asset transfer of Blackhill Park Lodge	13,000	13,000
REG	Park and Ride – Discount Rate	20,000	20,000
REG	Catering Review – review of service to ensure cost neutral	100,000	71,000
<b>TOTAL REG</b>			<b>519,000</b>
<b>TOTAL</b>			<b>1,167,100</b>

## HR implications

- 180 Equality data relating to the four staff leaving through voluntary redundancy, early retirement, and ER/VR during quarter three of MTFP (14) showed that 50% were female and 50% were male. In terms of race, 75% of leavers had declared they were White British, 25% of leavers had not disclosed their ethnicity.
- 181 Regarding disability status no leavers said they had a disability, 50% had no disability and 50% did not disclose their disability status.
- 182 During quarter three, one employee in total has left through compulsory redundancy. This was not associated with MTFP savings.
- 183 Equality data relating to the one employee leaving through compulsory redundancy, showed that 100% were female and 0% were male. In terms of race, 100% of leavers stated they were British. Regarding disability status no employees said they had a disability.
- 184 Since 2011, equality data relating to staff leaving through voluntary redundancy, showed that 65.47% were female and 34.53% 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.



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## **Appendix 1: Implications**

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### **Legal Implications**

The consideration of regular budgetary control reports is a key component of the council's Corporate and Financial Governance arrangements. This report shows the forecast spend against budgets agreed by Council in February 2024 in relation to the 2024/25 financial year. The forecasts contained within this report have been prepared in accordance with standard accounting policies and procedures.

### **Finance**

The report details the forecast financial outturn for the council for 2024/25 for revenue and capital. The report covers general fund for revenue and capital and the outturn position for general and earmarked reserves at 31 March 2025, plus the Collection Fund outturn, covering council tax and business rates. The report also sets out details of the Capital Programme, along with details of sums to be treated as outside the cash limit and funded corporately through General Contingencies.

### **Consultation**

None.

### **Equality and Diversity / Public Sector Equality Duty**

Nonspecific to this report. There is an overview of the protected characteristics of staffing leaving the council as a result early retirement, voluntary redundancy and compulsory redundancies because of MTFP (14) savings proposals implemented in year contained within the report.

### **Climate Change**

None.

### **Human Rights**

None.

### **Crime and Disorder**

None.

## **Staffing**

The report includes details of under and overspending against employee budgets, with underspends mainly due to vacancies and overspends due to delays in implementing restructures or managed positions due to workload.

The report includes details of the staffing implications arising from MTFP (14) savings proposals that were factored into the 2024/25 budget.

## **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 2024/25

	Original Budget 2024/25	Revised Budget	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Forecast of Outturn (including Corporate Costs)	Forecasted Variance (including Corporate Costs)	Forecasted Variance - Corporate Costs	Contribution to / (Use of) Contingencies , sums outside the cash limit, DSGAA	Contribution to / (Use of) Cash Limit Reserve	Contribution to / (Use of) Earmarked Reserves	Adjusted Variance	Adjustment for inflationary-related sums outside the cash limit included in Forecast of Outturn	Cash Limit Position
												Energy	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	572,370	573,166	585,281	577,196	577,731	-7,550	151	-215	0	-408	-8,173	0	-8,173
Premises	53,003	53,602	53,876	52,996	52,996	-880	0	-95	0	2,578	1,603	1,755	3,358
Transport	69,567	70,140	70,213	72,698	72,698	2,485	0	0	0	-338	2,147	0	2,147
Supplies & Services	117,523	119,744	119,683	161,893	163,587	43,904	127	-1,674	0	-1,829	40,401	0	40,401
Agency & Contracted	610,915	624,112	625,886	649,672	651,594	25,708	0	0	0	0	25,708	0	25,708
Transfer Payments	167,936	186,799	186,799	193,058	193,408	6,609	178	-803	0	0	5,806	0	5,806
Central Costs	131,965	131,557	131,592	142,887	143,435	11,843	424	-9,217	-1,347	-12,417	-11,138	0	-11,138
DRF	592	592	592	9,070	9,070	8,478	0	0	0	-653	7,825	0	7,825
Capital Charges	56,482	56,480	56,480	56,480	56,480	-0	0	0	0	0	-0	0	-0
Other	0	0	0	2,787	2,787	2,787	0	0	0	-2,787	0	0	0
<b>GROSS EXPENDITURE</b>	<b>1,780,353</b>	<b>1,816,192</b>	<b>1,830,402</b>	<b>1,918,738</b>	<b>1,923,787</b>	<b>93,385</b>	<b>880</b>	<b>-12,004</b>	<b>-1,347</b>	<b>-15,854</b>	<b>64,180</b>	<b>1,755</b>	<b>65,935</b>
<b>Income</b>													
Government Grants	638,984	667,164	666,911	691,418	691,948	25,037	-530	0	0	-240	24,797	0	24,797
Other Grants and Contributions	103,855	106,751	106,993	117,125	117,603	10,610	-478	0	0	-751	9,859	0	9,859
Sales	6,334	6,507	6,512	5,929	5,964	-548	75	0	0	13	-535	0	-535
Fees and Charges	129,890	129,008	131,612	139,276	139,276	7,664	0	510	0	-281	7,893	147	8,040
Rents	11,327	11,975	12,124	18,204	18,204	6,080	0	0	0	70	6,150	0	6,150
Recharges To Other Services	314,557	318,970	320,200	316,398	316,398	-3,802	0	3	0	-238	-4,037	0	-4,037
Other	5,451	5,450	5,593	18,993	18,993	13,400	0	0	0	-1,336	12,064	0	12,064
<b>Total Income</b>	<b>1,210,398</b>	<b>1,245,825</b>	<b>1,249,945</b>	<b>1,307,344</b>	<b>1,308,387</b>	<b>58,442</b>	<b>-933</b>	<b>513</b>	<b>0</b>	<b>-2,763</b>	<b>56,192</b>	<b>147</b>	<b>56,339</b>
<b>NET EXPENDITURE</b>	<b>569,955</b>	<b>570,367</b>	<b>580,457</b>	<b>611,394</b>	<b>615,400</b>	<b>34,943</b>	<b>-53</b>	<b>-12,517</b>	<b>-1,347</b>	<b>-13,091</b>	<b>7,988</b>	<b>1,608</b>	<b>9,596</b>

## Appendix 4: Earmarked Reserves Position as at 31 December 2024

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	OPENING BALANCE £'000	USE OF RESERVES £'000	CONTRIBUTION TO RESERVES £'000	TRANSFERS BETWEEN RESERVES £'000	TOTAL MOVEMENT ON RESERVES £'000	FORECAST CLOSING BALANCE AT 31/03/25 £'000
<b>EARMARKED RESERVES</b>							
<b>Corporate Reserves</b>							
Business Support Reserve	Corporate	-667	266			266	-401
Cabinet Priorities Reserve	Corporate	-108	108			108	0
Commercialisation Support Reserve	Corporate	-14,094					-14,094
Equal Pay Reserve	Corporate	-2,479					-2,479
ER/VR Reserve	Corporate	-9,977	1,659			1,659	-8,318
Insurance Reserve	Corporate	-4,128					-4,128
MTFP Reserve	Corporate	-36,299	3,720			3,720	-32,579
Resources DWP Grant Reserve	Corporate	-1,167		-107		-107	-1,274
Resources Elections Reserve	Corporate	-2,208					-2,208
<b>Total Corporate Reserves</b>		<b>-71,127</b>	<b>5,753</b>	<b>-107</b>	<b>0</b>	<b>5,646</b>	<b>-65,481</b>
<b>Sums held for other organisations/grants</b>							
North Pennines AONB Partnership Reserve	NCC	-3,170					-3,170
Resources Council Tax Hardship Reserve	Resources	-10					-10
Resources COVID-19 Support Grants	Resources	-507	92	-153		-61	-568
Social Care Reserve - Community Discharge Grant	AHS	-801					-801
Social Care Reserve - CCG	AHS	-18,392	2,528		841	3,369	-15,023
<b>Total Sums held for other organisations/grants</b>		<b>-22,880</b>	<b>2,620</b>	<b>-153</b>	<b>841</b>	<b>3,308</b>	<b>-19,572</b>
<b>Other Specific Reserves</b>							
Business Growth Fund Reserve	REG	-270					-270
CEO Grant Reserve	CEO	-86	29			29	-57
CEO Operational Reserve	CEO	0	52		-83	-31	-31
CEO Transformation Reserve	CEO	-2,853					-2,853
Children's Services Reserve	CYPS	-1,201	796	-66	-550	180	-1,021
Community Protection Reserve	NCC	-3,113	1,115	-484		631	-2,482
Corporate Property & Land Reserve	REG	-4,106	2,279	-800		1,479	-2,627
Culture and Sport Reserve	REG	-6,909	1,911	-438		1,473	-5,436
Economic Development Reserve	REG	-1,601	137	-49		88	-1,513
Education Reserve	CYPS	-10,771	2,744	-2,849		-105	-10,876
EHVC Reserve	CYPS	-3,682	881	-1,475		-594	-4,276
Employability and Training Reserve	REG	-615		-91		-91	-706
Environmental Services Reserve	NCC	-3,279	892	-326		566	-2,713
Funding and Programmes Management Reserve	REG	-218					-218
Highways Reserve	NCC	-2,615	279	-464		-185	-2,800
Housing Regeneration Reserve	REG	-1,869	9			9	-1,860
Housing Solutions Reserve	REG	-4,608	1,170	-771		399	-4,209
Partnerships and Community Engagement Reserve	NCC	-9,772	1,623	-243		1,380	-8,392
Planning Reserve	REG	-320	155			155	-165
Public Health Reserves	AHS	-5,185	1,971	-2,123		-152	-5,337
REG Match Fund Programme Reserve	REG	-64					-64
Resources Corporate Reserve	Resources	-477	128	-283		-155	-632
Resources Financial Services Reserve	Resources	0		-22		-22	-22
Resources Human Resources Reserves	Resources	-165	56			56	-109
Resources ICT Reserves	Resources	-421	101		189	290	-131
Resources Internal Audit & Corporate Fraud Reserve	Resources	-64	27			27	-37
Resources Legal Reserves	Resources	-147	32			32	-115
Resources Operations and Data Reserve	Resources	-50	9			9	-41
Resources Revenue and Benefits Reserve	Resources	-332	30	-80		-50	-382
Resources System Development Reserve	Resources	0		-400		-400	-400
Social Care Reserve - Specific Purpose	AHS	-1,190	190	-13	-1,960	-1,783	-2,973
Town and Villages Regeneration Reserve	REG	-574	92			92	-482
Transport Reserve	REG	-5,879	710	-2,424		-1,714	-7,593
<b>Total Other Specific Reserves</b>		<b>-72,436</b>	<b>17,418</b>	<b>-13,401</b>	<b>-2,404</b>	<b>1,613</b>	<b>-70,823</b>
<b>TOTAL EARMARKED RESERVES</b>		<b>-166,443</b>	<b>25,791</b>	<b>-13,661</b>	<b>-1,563</b>	<b>10,567</b>	<b>-155,876</b>



EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	OPENING BALANCE £'000	USE OF RESERVES £'000	CONTRIBUTION TO RESERVES / CASH LIMIT POSITION £'000	TRANSFERS BETWEEN RESERVES £'000	TOTAL MOVEMENT ON RESERVES £'000	FORECAST CLOSING BALANCE AT 31/03/25 £'000
<b>Cash Limit Reserves</b>							
Adult and Health Services		-5,833	607	-1,225	2,310	1,692	-4,141
Chief Executive's Office		-864	286	-845	-477	-1,036	-1,900
Children and Young People's Services		0					0
Neighbourhoods and Climate Change		-570	323	353	-343	333	-237
Regeneration, Economy and Growth		-1,462		32		32	-1,430
Resources		-1,135	131	-1,653	73	-1,449	-2,584
<b>Total Cash Limit Reserves</b>		<b>-9,864</b>	<b>1,347</b>	<b>-3,338</b>	<b>1,563</b>	<b>-428</b>	<b>-10,292</b>
<b>Total Council Reserves</b>		<b>-176,307</b>	<b>27,138</b>	<b>-16,999</b>	<b>0</b>	<b>10,139</b>	<b>-166,168</b>
<b>Schools' Balances</b>							
Schools' Revenue Balance *	CYPS	-27,231	4,681			4,681	-22,550
DSG Reserve	CYPS	0					0
<b>Total Schools and DSG Reserves</b>		<b>-27,231</b>	<b>4,681</b>	<b>0</b>	<b>0</b>	<b>4,681</b>	<b>-22,550</b>
<b>Total Earmarked Reserves</b>		<b>-203,538</b>	<b>31,819</b>	<b>-16,999</b>	<b>0</b>	<b>14,820</b>	<b>-188,718</b>