

Cabinet

19 March 2014



**Forecast of Revenue and Capital
Outturn 2013/14 for General Fund and
Housing Revenue Account – Period to
31 December 2013**

**Report of Corporate Management Team
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Purpose of the Report

- 1 To provide Cabinet with a forecast of 2013/14 revenue and capital outturn for the period to 31 December 2013 for the Council's General Fund and Housing Revenue Account.

Background

- 2 This report updates the information presented to Cabinet on 20 November showing the forecasted revenue and capital outturn based on expenditure and income up to 30 September 2013 and incorporates the recommended changes to cash limits within Service Groupings agreed at that time.
- 3 The report also provides an update on the Collection Funds' performance in respect of Council Tax and Business Rates.

Revenue - Current Position to 31 December 2013

- 4 The table overleaf compares the forecast with the revised budgets and is shown in more detail in Appendices 2 and 3.
- 5 The following adjustments have been made to the Original Budget that was agreed by Full Council in February 2013:
 - (i) agreed budget transfers between Service Groupings;
 - (ii) additions to budget for items outside the cash limit (for Cabinet approval);
 - (iii) planned use of or contribution to Earmarked Reserves (see Appendix 4).

	Original Budget 2013/14	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000
Assistant Chief Executive	11,178	10,220	10,136	-84
Children and Adults Services	291,815	272,521	263,163	-9,358
Neighbourhood Services	108,776	111,742	110,898	-844
Regeneration and Economic Development Resources	41,801	41,354	41,627	273
	22,246	18,024	18,403	379
Cash Limit Position	475,816	453,861	444,227	-9,634
Contingencies	7,852	5,827	5,827	0
Corporate Costs	80	1,670	1,534	-136
NET COST OF SERVICES	483,748	461,358	451,588	-9,770
Capital charges	-51,723	-50,473	-50,473	0
Interest and Investment income	-1,441	-1,441	-1,938	-497
Interest payable and similar charges	35,148	34,796	30,719	-4,077
Net Expenditure	465,732	444,240	429,896	-14,344
Funded By:				
Council tax	-164,469	-164,469	-164,469	0
Council tax freeze grant	-2,033	-2,033	-2,033	0
Use of earmarked reserves	-4,399	24,250	24,250	0
Estimated net surplus on Collection Fund	0	0	0	0
Start up Funding Assessment	-278,370	-278,370	-278,370	0
New Homes Bonus	-4,799	-4,799	-4,799	0
New Homes Bonus - Re-imbusement	-943	-943	-943	0
Section 31 Grant - Small business rate relief	0	0	-2,239	-2,239
Education Services Grant	-7,200	-7,236	-7,698	-462
Forecast contribution to Cash Limit Reserve	-3,519	-5,640	3,994	9,634
Forecast contribution to General Reserves	0	-5,000	2,411	7,411
TOTAL	0	0	0	0

Note: Negative figures in the variance column represent an underspend or overachievement of income

6 The sums Service Groupings have proposed as being outside the Cash Limit are detailed below:

SERVICE GROUPING	PROPOSAL	Amount
		£m
ACE	Pay Protection from At Risk Register	0.007
Neighbourhoods	MTFP Mitigation	0.440
	Winter Maintenance	0.402
RED	Asset Management – Surplus Property Security Costs	0.083
Resources	Discretionary Rate Relief	-0.330
	Coroner's Service	0.032
Total		0.634

- 7 After adjusting the budgets as detailed above the forecast outturn for Cash Limit Reserves and the General Reserve are summarised in the table below:

Type of Reserve	Opening Balance as at 1 April 2013	Budgetted use at 1 April 2013	Movement during 2013/14		2013/14 Forecast Outturn
			Planned contribution to (-) or use of reserve	Contribution to (-) or use of reserve	
	£m	£m	£m	£m	£m
Service Grouping Cash Limit					
Assistant Chief Executive	-1.165	0.389	-0.180	-0.084	-1.040
Children and Adults Services	-9.732	2.991	1.700	-9.358	-14.399
Neighbourhoods	-2.311	0.139	0.356	-0.844	-2.660
Regeneration and Economic Development Resources	-3.416	0.000	0.161	0.273	-2.982
	-3.280	0.000	0.084	0.379	-2.817
TOTAL CASH LIMIT RESERVE	-19.904	3.519	2.121	-9.634	-23.898
General Reserve	-24.410	0.000	5.000	-7.411	-26.821

- 8 The estimated balance on the MTFP Redundancy and Early Retirement Reserve will have reduced to £2.217m by 31 March 2014.
- 9 At this stage possible redundancy numbers for 2014/15 and 2015/16 are still to be finalised and will always be estimates due to the lengthy consultation and redeployment processes which need to be followed. In addition there are still significant savings shortfalls in 2015/16 and 2016/17 which render the estimates on redundancy numbers difficult to forecast with any accuracy at this stage.
- 10 The figures in the table above therefore reflect the actual replenishment of the MTFP Redundancy and Early Retirement Reserve by £15m as agreed by Cabinet on 18 December 2013 by transferring the following sums from the reserves identified.

	£m
Service Grouping Cash Limit Reserves	10.000
General Reserve	5.000
	<hr/>
Total Transfer	15.000
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- 11 The forecasted increase in Cash Limit and General Reserves is a prudent position to be in given the forecasted levels of savings the Council needs to make of £23m in 2014/15 and a further £87m over 2015/16 and 2016/17, as the delivery of such is becoming more and more difficult to achieve.
- 12 The reasons for the major variances are detailed by each Service Grouping below.

Assistant Chief Executive

- 13 The forecast revenue outturn for 2013/14 is a cash limit underspend of £84k for the year, after taking account of the forecast use of reserves including a contribution of £0.353m to the MTFP Redundancy and Early Retirement Reserve to assist in meeting the cost of future redundancy payments, and items outside the cash limit. The transfer to the MTFP Redundancy and Early Retirement Reserve is the principle reason for the differences between the

current and previous position, which was a forecast cash limit underspend of £0.366m.

- 14 The forecast underspend is a managed position, reflecting the proactive management of activity by Heads of Service across ACE to remain within the cash limit. The main reasons for the projected underspend is the net effect of the following items;
- Partnerships and Community Engagement is forecast to underspend by £60k, primarily due to an underspend on premises costs within Community Buildings.
 - The Planning and Performance Team are forecast to underspend by £0.290m, primarily due to proactive management of vacancies in anticipation of future year MTFP savings, which accounts for £0.135m of the saving. There is also a £85k of savings anticipated in supplies and services, including a managed underspend in relation to resident surveys. The remaining £70k is an over recovery of income primarily relating the County Records Office.
 - A £87k underspend is forecast for Policy and Communications, predominantly resulting from a £53k managed underspend on employees in the Civil Contingencies Unit with the remainder from a managed underspend on supplies and services and additional income generated from advertising.
 - Each of the 14 area action partnerships (AAP) have an 'Area' budget to contribute to local projects of £0.120m in 2013/14. Combined with revenue budgets carried forward from previous years (related to committed expenditure on agreed projects) the total revenue budget across all 14 AAP's is £2.636m. Committed spend of £2.133m is being held against this budget and it is anticipated that the remaining £0.503m will be committed to investments before 31 March 2014. The forecast outturn also assumes that actual expenditure of £1.680m will be incurred by the year end.
 - In 2013/14 Members' Neighbourhood revenue budget, including sums carried forward from the previous year, totalled £2.152m. Committed spend of £1.278m is been held against this budget and it is anticipated that the remaining £0.874m will be committed to the associated projects and initiatives before 31 March 2014. The forecast outturn assumes that actual expenditure of £1.260m will be incurred by the end of the year.
- 15 Taking the projected outturn position into account, including items proposed to be treated as outside the cash limit, the total cash limit reserve forecasted to be carried forward for ACE is £1.040m from April 2014.

Children and Adults Services

- 16 The 2013/14 projected outturn position for Children and Adults Services (CAS), based on the position to 31 December 2013, is a cash limit underspend of £9.358m. This represents 3.3% of the total budget for CAS and compares to a quarter 2 forecast of a cash limit underspend of £11.985m.

- 17 The projected outturn takes into account adjustments for sums outside the cash limit such as redundancy costs which are met from the strategic reserves, capital accounting entries and use of / contributions to earmarked reserves. A £6.199m transfer to the MTFP Redundancy and Early Retirement Reserve has been factored into the quarter 3 forecasts.
- 18 The forecast underspend is accounted for by the net effect of the following items:
- Early achievement of a number of future year MTFP management and support service proposals, together with the careful management and control of vacancies and general budgets across the service has created a projected net underspend for the year of approximately £5.7m;
 - Net spend on adult care packages is approximately £5.8m below budget, which represents circa 6% of the adult social care budget. This area of spend is closely monitored to assess the impact of demographic and procedural/operational changes. Savings have arisen from tighter and consistent and effective application of the existing eligibility criteria, reducing the level of care packages subsequently commissioned, and the transformational change agenda, linked to the provision of social care, will further refine processes. The service is reviewing its approach to current savings in order to consider increasing the saving associated with consistent application of eligibility criteria. This will need to be carefully considered in light of transition cases, potential for ordinary residence claims and the potential for increased care package costs linked to older carers and general increases in demand. Inflation rate increases within the MTFP are 2.5% for 2013/14 and 1% for 2014/15. Contracts with residential and domiciliary care providers have increases of 2% for both years in question. This has led to a forecast underspend in 2013/14 of £0.4m which will need to be used to underwrite part of the inflationary uplift in 2014/15 which will be 1% higher than the 1% budget provision.
 - A review of one-off additional funding has identified an in-year contribution to the overall cash limit of approximately £0.4m. It is anticipated that this funding will be utilised in part to resource the work associated with the outcomes of the work linked to the transformation agenda in social care for children and adults;
 - Children's Care (excluding the Secure Services Trading Account) are forecasting an underspend of £1.409m. This is primarily as a consequence of underspends on staffing resulting from early achievement of MTFP savings and maintaining vacancies pending a restructure (£0.808m). Close management of the transportation budget, ensuring only essential journeys are undertaken and lower cost alternatives are used (where possible) has resulted in a forecast savings of £0.128m across the service. Over achievement of income (£0.372m) has been achieved by maximising contributions from partner bodies to fund care packages. This, combined with a range of net savings in other areas, leads to the overall projected saving of c£1.409m.

- The Secure Services Trading Account is projecting a surplus of c£1m at Quarter 3. The trading surplus has been achieved as a result of higher than initially budgeted sales of welfare beds (c£0.600m) combined with the holding of a number of vacancies pending the award of a new contract from the Youth Justice Board (c£0.400m). The surplus on the Trading Account has been transferred to the Earmarked Reserve.
- Public Health is reporting a break even position after providing for c£4.4m of anticipated costs that will be incurred during the service's transition to an alternative delivery model during 2014/15. These transitional costs are funded from an underspend that has manifested itself within commissioning budgets where existing arrangements with external suppliers of services have been re-evaluated and provided only in line with the anticipated new delivery model for Public Health services across the county.
- The Education service is forecasting an underspend of £1.17m. The in-year reduction in Extended Rights to Free Travel Grant of £0.170m reported at Quarter 2 has been offset by a £0.500m forecast underspend across Home to School transport. A further £0.480m underspend relates to the Support and Development Service, largely through reduced employee costs through a combination of vacancies and early achievement of 2014/15 MTFP savings.
- Early Intervention and Involvement is forecast to underspend by £1.02m. This relates largely to a reduction in employee and service delivery costs within the One Point service (£0.496m) and underspends across Community Safety and Involvement; Think Family and the Youth Offending Service (£0.228m).

19 Taking the projected outturn position into account, including the transfer to Reserves in year (including the MTFP Redundancy and Early Retirement Reserve), the cash limit reserve to be carried forward for Children and Adults Services is forecast to be £14.399m.

Neighbourhood Services

20 The forecast revenue outturn for 2013/14 is a cash limit underspend of £0.844m, after taking account of the forecast use of reserves, and items outside the cash limit. This compares to the previous forecast, at Quarter 2, of a £0.955m underspend.

21 The projected outturn takes into account adjustments for sums outside the cash limit such as redundancy costs which are met from the MTFP Redundancy and Early Retirement Reserve, capital accounting entries and use of / contributions to earmarked reserves. There have been no transfers to MTFP Redundancy and Early Retirement Reserve from the Neighbourhoods Cash Limit.

22 The main reasons for the forecast variances are as follows;

- Within Direct Services, there are savings of approximately £0.380m associated with early savings on the corporate fleet review,

underspends on premises costs in Facilities Management, and an increased surplus within Building Services.

- There are underspends of approximately £0.246m within Environment, Health and Consumer Protection associated with employees and supplies and services.
- There is also a forecast underspend of approximately £0.149m on employees and supplies and services within Business Support, and Policy, Performance and Communications.
- Within Culture and Sport there is a projected underspend of £0.130m within Libraries, where some elements of the planned 2014/15 MTFP savings have been achieved earlier than originally anticipated.
- An earmarked reserve of £0.180m is being created to fund remedial works associated with a pollution incident at Morrison Busty depot.
- Finally, there is a general underspend of approximately £0.100m in supplies and services across all areas of Neighbourhood Services.

23 In addition to the above variances, there is a projected overspend of £0.402m on the Winter Maintenance budget. Historically, the winter maintenance budget has consistently overspent over the last few years, but this projected underspend is considerably lower than in previous years due to the relatively mild winter experienced to date. It is requested that this overspend is treated as being outside of Neighbourhood Services' cash limit.

24 Taking the projected outturn position into account, including items proposed to be treated as outside the cash limit, the forecasted cash limit reserve to be carried forward for Neighbourhood Services is £2.660m.

Regeneration and Economic Development (RED)

25 The 2013/14 forecast outturn for Regeneration and Economic Development is a cash limit overspend of £0.273m and compares with a cash limit underspend of £0.423m at quarter 2.

26 The projected outturn takes into account adjustments for sums outside the cash limit such as redundancy costs which are met from an earmarked reserve, year end capital accounting entries and use of contributions to earmarked reserves. A £0.875m transfer to the MTFP Redundancy and Early Retirement Reserve has been factored into the quarter 3 forecasts and is the principle reason for the differences between the current and previous position.

27 The forecast position is accounted for as follows:

- Strategy Programmes and Performance is forecast to underspend by £0.148m due to savings on employee costs, including vacancies and the secondment of an employee to the Association of North East Councils, maternity savings and other general efficiency savings on supplies and services.
- Economic Development and Housing is forecast to overspend by £24k, primarily due to unmet vacancy savings and loss of income on

business units, offset by general efficiency savings on supplies and services.

- Planning and Assets is forecast to underspend by £0.625m, consisting of a £0.669m underspend in the Planning Service and a £44k overspend on Asset Management. The underspend in the Planning service primarily relates to overachievement of planning fee income, employee savings from vacant posts and other efficiency savings on transport and supplies and services. Assets is experiencing income pressures, mainly from Newgate Street in Bishop Auckland, the Brackenhill Centre in Peterlee and Millenium Square in Durham City where anticipated rental income is not being achieved.
- Transport is forecasting a £0.165m overspend, which is primarily due to the increase in contract costs to NSL Limited for enforcement of parking policies throughout County Durham.
- Central Costs is forecast to underspend by £18k, which results from a rebate on a procurement exercise.

28 Taking the projected outturn position into account, including the £0.875m transfer to the the MTFP Redundancy and Early Retirement Reserve in year, the cash limit reserve to be carried forward for Regeneration and Economic Development is forecast to be £2.982m.

Resources

29 The 2013/14 projected outturn position for Resources, based on the position to 31 December 2013, is a cash limit overspend of £0.379m, which compares with a cash limit underspend of £1.682m at quarter 2.

30 The projected outturn takes into account adjustments for sums outside the cash limit such as redundancy costs which are met from the strategic reserves, capital accounting entries and use of / contributions to earmarked reserves. A £2.573m transfer to the MTFP Redundancy and Early Retirement Reserve has been factored into the quarter 3 forecasts and is the principal reason for the differences between the current and previous position.

31 The forecast overspend is a managed position. The Heads of Service across Resources continue to proactively manage activity to remain within the cash limit, notwithstanding the contribution to the MTFP Redundancy and Early Retirement Reserve. The projected position is the net effect of the following items:

- Corporate Finance is forecast to underspend by £0.168m. £47k of this relates to the management of staff vacancies, reflecting the early achievement of 2014/15 MTFP savings. The majority of the balance arises from an £84k underspend from income from VAT services.
- Financial Services is forecast to underspend by £0.891m, consisting primarily of £0.601m in respect of the management of staff vacancies, reflecting the early achievement of 2014/15 MTFP savings, offset by a £0.380m managed overspend on work packages with external contractors. There are also managed underspends against supplies and services (£0.121m) and staff travel costs (£0.165m). The balance

comprises a forecast over recovery of income of £0.384m, primarily from increased court cost fee income relating to council tax and business rates recovery.

- Human Resources is forecast to underspend by £0.203m, primarily from a £0.224m underspend against employees, to reflect the early achievement of 2014/15 MTFP savings, together with other minor variances across supplies and services and income budgets.
- ICT Services is forecast to underspend by £0.121m, which comprises of several areas. There is an underspend of £0.238m in employees costs, arising from the proactive management of vacancies in anticipation of future years' MTFP savings. There have been further managed savings of £78k against staff travel budgets and £75k against supplies and services. These are offset by an under-recovery of income of £0.279m. The remainder is made up of other minor variances across a number of budgets.
- Internal Audit is forecasting an underspend of £0.196m, consisting of a £0.190m underspend on employees, through tight management and control of staff vacancies and secondments in anticipation of a staffing restructure, and £6k additional income from Service Level Agreements.
- Legal and Democratic Services is forecast to underspend by £0.584m, which arises primarily from the early achievement of the proposed 2014/15 MTFP savings of £0.344m across a range of activities. There are also underspends of £0.133m against Corporate and Democratic budgets mostly underspends against subscriptions (£28k), mobile phone costs (£13k), employees (£13k), transport costs (£39k) and computer hardware (£33k). The main contributions to the remaining underspend of £0.107m come from a £60k underspend on employees and an £18k underspend on staff travel costs.
- Service Management is showing a £31k underspend from the rebate arrangement with Comensura regarding agency staff.

32 There is also a £0.136m underspend against Centrally Administered Costs, comprising underspends against Audit Fees (£22k), the costs of raising loans (£30k), bank charges/payment cards (£62k) and subscriptions (£22k).

33 Taking the projected outturn position into account, including items proposed to be treated as outside the cash limit, the forecast cash limit reserve to be carried forward for Resources is £2.817m.

Schools

34 The planned and / approved use of schools balances built into the 2013/14 schools budget plans was £4.5m, but this was offset by plans to increase the balances of other schools by £2.7m, giving a net use of balances of £1.8m. Accordingly the budgeted position was for retained schools balances to be £18.3m at 31 March 2014, with 248 schools planning to have positive retained balances totalling £19.5m, and the 13 schools planning to have deficit balances totalling £1.2m. Of the 15 schools with deficit balances at 31 March 2013, 8 were planning to have surplus balances at 31 March 2014 and 7 were planning to still have deficit balances at 31 March 2014.

- 35 The latest position is that the total forecast retained school balance at 31 March 2014 will be £16.1m, £2.2m less than the original budget plans. In itself this should not be a cause for concern with overall balances being above the level at which the Council would become concerned about balances being too low. Further comments are set out below:
- Of the schools that originally forecast a positive balance, 8 are now forecasting a deficit; these 8 schools originally planned total positive balances of £0.202m, but are now forecasting deficit balances of £0.174m.
 - Of the 13 schools that originally forecast a deficit balance, 2 are now forecasting surplus balances; one of these schools planned a deficit balance of £2k and is now forecasting a surplus of £9k and the other planned a deficit of £1k and is now forecasting a positive balance of £31k. A further 5 of these schools are forecasting that they will break even, compared to a total planned deficit of £0.125m.
 - The remaining 6 schools that originally forecast a deficit balance are all schools that carried forward a deficit balance from 2012/13, and the total deficit balance for these schools has decreased from a planned total of £1.1m to a forecast total of £0.9m. Most of the reduction is in respect of the Pupil Referral Unit (PRU). The PRU, which only received a delegated budget from April 2013, already had a budget deficit at that time and during the current financial year its funding has been increased by £0.300m, from within the DSG, which has reduced its forecast deficit to £14k. For 2014/15 the Council has transferred £0.300m from primary and secondary school formula funding into the base budget.
 - Two of the other schools that are still forecasting a deficit are secondary schools, both have had financial problems for some time and the Council is working with them to address these issues, but there remains significant concerns over their financial position.
 - Another school causing significant concern is a primary, which is expected to become a sponsored academy in September and which is currently forecasting a deficit balance of £75k. The Council will work closely with the school over the summer term to ensure that the majority of this is recovered before conversion. Any deficit balance on conversion will become a charge against the Council's General Fund.
- 36 Other concerns relate to schools that have a small balance relative to their main sources of funding. Of the 247 schools that are not forecasting a deficit, 36 are forecasting a surplus of less than 2.5% of the total of their Dedicated Schools Grant funding and income from the Pupil Premium.
- 37 Some schools will be able to address deficit balances in their budget plan for 2014/15 due to known changes that are expected to improve their financial position, including increased funding through increased numbers of pupils, or reduced staffing already implemented. Where this is not the case schools have now begun the process of re-structuring to reduce costs by changing their staffing structure and local authority school finance officers have notified Education Development Partners (EDPs) from the Education Development

Service. EDPs are able to work with schools to identify areas where there is scope to make savings in the schools' budget plan.

- 38 Schools will receive final budget information, including details of funding and costing information, at the end of February and will start detailed budget planning for 2014/15 in March, with most schools' budget plans being completed by the end of April. Schools that wish to set a deficit budget plan will need to seek permission from the Council to do so, and those with a planned surplus of less than 2.5% of funding will be notified of the Council's concerns.

Central Budgets

- Interest Payable and Similar Charges - Capital Financing

- 39 During the previous quarter, a review of capital financing costs has led to a forecast underspend of £4.077m. This saving is being achieved due to lower than forecast interest rates on loans and borrowing not needing to take place yet due to higher levels of cash balances than forecast.

- Interest and Investment Income

- 40 The forecast of outturn is an overachievement of income of £0.497m which is due to a higher than anticipated level of cash balances. This is due in the main to slower than expected use of reserves and capital spend.

- Education Services Grant

- 41 The forecast of outturn reflects net additional grant income of £0.462m which is due to the actual grant notification being higher than the amount budgeted for in 2013/14.

Earmarked Reserves Forecast

- 42 Appendix 4 details the forecast use of Earmarked Reserves in 2013/14. Based on the latest forecast the position at the end of the year is estimated to be as follows:

	Non-Schools	Schools and DSG	Cash Limits	TOTAL
	£m	£m	£m	£m
Opening Earmarked Balances as at 1 April 2013	-61.925	-24.041	-19.904	-105.870
Less/Plus Forecasted usage/increase of Earmarked Reserves	-26.389	2.139	-3.994	-28.244
Forecasted Earmarked Reserve Balance as at 31 March 2014	-88.314	-21.902	-23.898	-134.114

Housing Revenue Account (HRA)

- 43 In summary, the HRA shows a forecasted balanced outturn position on the revenue account after using a projected surplus of £0.861m towards financing the capital programme, reducing the need for borrowing. The following table summarises the updated position, with more detail shown in Appendix 5:

Housing Revenue Account	2013/14 Budget	2013/14 Projected Outturn	Variance
	£000	£000	£000
Income			
Dwelling Rents	-63,633	-63,202	431
Other Income	-1,466	-1,457	9
Interest and Investment Income	-104	-104	0
Total Income	-65,203	-64,763	440
Expenditure			
ALMO Fees	16,469	16,469	0
Repairs, Supervision and Management Costs	12,220	12,204	-16
Depreciation	7,850	8,150	300
Interest Payable	12,447	10,862	-1,585
Revenue Contribution to Capital Programme	16,217	17,078	861
Total Expenditure	65,203	64,763	-440
2013/14 Surplus transferred to balances	0	0	0

Note: Negative figures in the variance column represent an underspend or an overachievement of income

- 44 The main variances are explained below:

- Dwelling Rents are forecast to be £0.431m less than budget. This relates to an increase in "Right to Buy" sales and an increase in the void rate across all three housing management areas;
- General Supervision and Management are forecast to overspend by £0.185m which relates to the customer service recharges for Durham City Homes being higher than the original budget and additional asset management work relating to the Housing Stock Transfer;
- Supervision and Management Special costs are expected to be £23k underspent, resulting from general efficiency savings on the running expenses of communal halls in the Durham City area;
- Rents , Rates and Taxes are forecast to overspend by £0.140m reflecting an increase in council tax empty property charges resulting from the increased voids;

- Depreciation variances reflect an impairment charge resulting from a revaluation of garages in the East Durham Homes area;
- Bad Debt Provision is lower than budget due to lower than anticipated arrears, reflecting a delay by the Government in introducing Universal Credit and the work carried out by the three providers in maintaining rent arrears at a consistent level;
- Interest Payments are forecast to be £1.585m below budget resulting from a lower interest rate and lower outstanding loan debt than originally anticipated;
- Revenue Support to Capital is £0.861m higher than budgeted, reflecting the utilisation of the in-year surplus, being the balancing item on the HRA which identifies the potential resources available to support the capital programme and reduce the reliance on borrowing.

Capital

Background

- 45 County Council on 20 February 2013 approved a 2013/14 General Fund (GF) capital budget of £159.461m.
- 46 The 2013/14 Housing Revenue Account (HRA) capital budget of £49.271m was also approved at this meeting.
- 47 The Capital Member Officer Working Group (MOWG) has continually reviewed the capital programme and taken into account further developments and analysis of changes and demands on resources. The recommendations following the latest MOWG review on 17 February 2014 are included in this report. The revised budgets set out in this report reflect the last changes to the approved programmes in year.

Current Position

- 48 The following table summarises the original budget and revisions reported to MOWG. The table also summarises the forecast outturn for each service and actual spend as at 31 December 2013.

Summary General Fund Capital Programme 2013/14

Service	Original	Reprofiling	Amendments	Revised	Projected	Actual
	Budget	from 12/13	recommended	13/14		
	13/14	to 13/14	by MOWG	Budget		
	£'000	£'000	£'000	£'000	Outturn	Spend
					£'000	£'000
Assistant Chief Executives	3,959	367	-2,094	2,232	2,231	688
Children and Adults Services	56,046	14,989	-18,653	52,382	52,382	33,475
Neighbourhoods	32,533	5,673	-7,578	30,628	28,817	17,131
Regen and Economic Development	49,318	4,996	-17,035	37,279	37,279	22,466
Resources	17,605	1,916	-14,255	5,266	5,267	2,588
Total General Fund	159,461	27,941	-59,615	127,787	125,976	76,348

49 Included in the above table is a summary of revisions in the 2013/14 capital budget approved by MOWG since the last report (14 November 2013, 13 January 2014 and 17 February 2014). The following adjustments are of note:

Reprofiling of Budgets:

Children and Adults Services

50 Following a review of schemes within the programme budgets have been reprofiled, including:

Building Schools for the Future Projects

- Savings of £1.2m from Easington, Wellfield, Glendene and North Durham Academy were reallocated to provide additional funding required by other projects.
- reprofiling of approximately £15m from 2013/14 to 2014/15 was reported in respect of The Consett Academy and Leisure Centre Project.

School Related Projects

- Reprofiling of £0.200m for the Schools Access Programme from 2013/14 to 2014/15.
- a transfer of £0.279m was made from the DSG Structural Maintenance budget in connection with boiler replacement works at The Meadows which can be delivered more cost effectively combined with the main school project.

Public Health Projects

- Reprofiling of £0.160m from 2013/14 to 2014/15 in connection with dilapidation costs required for the Drug and Alcohol Treatment Centres.
- Reprofiling of £18k from 2013/14 to 2014/15 for the refurbishment of kitchens at County Hall.

Neighbourhoods

51 A reprofiling exercise resulted in £8.301m being reprofiled from 2013/14 to 2014/15 for the following areas:

- Culture and Sport £1.912m
- Direct Services £2.800m
- Technical Services £2.300m
- Project and Business Services £1,289m

52 This includes £1.2m relating to the upgrade of Waste Infrastructure and Waste Transfer Stations, £1.9m towards the Seaham North Pier Project and £2.5m relating to the planned procurement of vehicles, which has been delayed until service reviews are complete.

Regeneration and Economic Development

53 A review of the RED capital programme resulted in the £17.770m being reprofiled from 2013/14 to 2014/15 as follows:

- General Fund £12.006m
- HRA £5.764m

54 This includes £1.1m for the refurbishment of the Gypsy Traveller sites, £1.9m relating to The Empty Homes Cluster Bid project and £5.3m relating to the Decent Home Programme.

Assistant Chief Executive

55 The overall budget of £2.124m Assets in the Community has been reprofiled as follows:

Year	£000
2013/14	98
2014/15	871
2015/16	1,155

56 This reflects the anticipated outcome of on-going negotiations with the relevant community action groups to encourage them to take up revised leases with the Council. A significant proportion of buildings are now in the final stages of Asset Transfer and are expected to meet the two year timeframe for this element of the project.

Resources

57 ICT Budgets to the value of £0.840m have been reprofiled from 2013/14 to 2014/15 in line with anticipated project delivery, including £0.400m of the Desktop Replacement Programme, £0.250m for the Tanfield Power upgrade and £0.190m for the Homeworking Project.

Additional Funding:

Regeneration and Economic Development

- 58 External Grant – Grant funding to the value of £46k has been received from Natural England for the Paths and Communities Project.

Children and Adults Services

Public Health Funding

- Direct Revenue Funding to the value of £0.428m was agreed to fund the acquisition of Health Check equipment, refurbishment of kitchens in County Hall and to meet the dilapidation costs relating to the Drug and Alcohol Treatment Centres.

Building Schools for the Future

- A contribution of £0.216m has been received from the Diocese towards work at Dene school.

Neighbourhoods Services

- 59 **Section 106 Contributions** – Section 106 contributions of £50k have been received towards play park projects.

Projected Outturn Update

- 60 **Children and Adults Services** – It is anticipated that the projected outturn for CAS will be £52.382m, which is £5.882m lower than the budget approved at the MOWG 13 January 2014. The budget has been revised at the MOWG 17 February 2014 to reflect the latest outturn position.

- 61 **Neighbourhood Services** - It is anticipated that the projected outturn for Neighbourhood Services will be £28.817m, which is £1.811m lower than the budget approved at the MOWG 13 January 2014. This under spend is attributable to the following service areas:

- the Vehicle and Plant Replacement programme within Direct Services will underspend by £0.920m.
- Street Lighting Energy Replacement Programme (SLERP) within Technical Services will under spend by £0.744m
- Seaham North Pier project within Technical Services will underspend by £0.147m.

Housing Revenue Account

Housing Revenue Account Capital Programme 2013/14

Service	Original Budget 13/14 £'000	Reprofiling from 12/13 to 13/14 £'000	Amendments recommended by MOWG £'000	Revised 13/14 Budget £'000	Projected Outturn £'000	Actual Spend £'000
HRA	49,271	958	-410	49,819	49,819	28,389
Total	49,271	958	-410	49,819	49,819	28,389

62 It is anticipated that the projected outturn at 31 March 2014 will be in line with the revised budget.

Capital Financing

63 The following tables summarise the recommended financing of the revised capital programme:

Financing – General Fund Capital Programme 2013/14

Financed by	Original Budget 13/14 £'000	Reprofiling from 12/13 to 13/14 £'000	Amendments recommended by MOWG £'000	Revised 13/14 Budget £'000
Grants and Contributions	66,498	7,120	-11,546	62,072
Revenue and Reserves	987	1,022	5,716	7,725
Capital Receipts	19,774	10	-3,624	16,160
Borrowing	72,202	19,789	-50,161	41,830
Total	159,461	27,941	-59,615	127,787

Financing – Housing Revenue Account Capital Programme 2013/14

Financing	Original Budget 13/14 £'000	Reprofiling from 12/13 to 13/14 £'000	Amendments recommended by MOWG £'000	Revised 13/14 Budget £'000
Grants and Contributions	19,400	-	-	19,400
Revenue and Reserves	24,069	-	1,549	25,618
Capital Receipts	426	-	-	426
Borrowing	5,376	958	-1,959	4,375
Total	49,271	958	-410	49,819

Collection Funds

- 64 The Collection Funds consists of two main income streams – Council Tax and Business Rates.

Council Tax

- 65 Council Tax is charged for all residential dwellings in bandings agreed by the Government's Valuation Office Service. Exemptions, reliefs and discounts are awarded dependent upon the state of the property and Council Taxpayers' personal circumstances.
- 66 Since 1 April 2013, no reduction is awarded for void properties, previously no charge was made for first six months empty and 50% chargeable up to two years empty was applied. In addition, from 1 April 2013, following the 100% empty property charge being applied and being in place for up to two years empty, an additional 50% premium is now charged for properties over two years empty. These changes increased the collectable debit by c£5.5m in 2013/14.
- 67 Collection rates do not appear to have been adversely affected by these changes. As at 31 December 2013, the in-year Council tax collection rate was 82.9% which is 0.2% better than the 2012/13 in-year performance and 2.2% better than 2011/12.
- 68 The in-year collection rates for the last three years including the current year are shown below:

Billing year	31 December %
2013/14	82.9
2012/13	82.7
2011/12	80.7

- 69 The income shown in the Council Tax Collection Fund is the amount collectable from Council Tax payers in the long run, rather than the actual cash collected in the year the charges are raised. Likely bad debts are accounted for by maintaining a bad debt provision. The amount estimated to be collectable is estimated each year by reference to the actual council taxbase for all domestic properties in the county (schedule of all properties, discounts and reliefs) with an allowance for non-collection, currently 1.5%.
- 70 The Band D Council Tax (on which all other bands are based) is calculated by dividing the Council Tax Budget requirement, net of Parish/Town Council Precepts by the council taxbase.
- 71 Because of changes in the number of properties, eligibility of discounts and reliefs during the year, the actual amount collectable increases or decreases from the estimate on a dynamic day to day basis. All of these adjustments mean that the actual amounts collected will differ from the original estimate. Such differences at the end of each accounting year, after taking into account the calculated change required in the 'bad debt' provision, whether surplus or deficit are shared between the major preceptors, Durham County Council, Durham Police and Crime Commissioner and County Durham and Darlington Fire and Rescue Authority.

- 72 Each month the changes in council tax liability are tracked and the provision for bad debts recalculated to enable an outturn position to be assessed. At 31 December 2013, the liability changes were extrapolated to the year end to give an estimated position at 31 March 2104, as follows:

	£'000
Net Bills issued during Accounting Year 2013/14	263,447
LCTRS and previous year CTB adjustments	-52,124
Calculated change in provision required	-5,218
Net income receivable (a)	206,105
Precepts and Demands Durham County Council (including Parish/Town Councils)	174,452
Durham Police and Crime Commissioner	20,060
County Durham and Darlington Fire and Rescue Authority	11,596
Total Precepts and Demands (b)	206,108
Net Income for year (a) – (b)	-3
Surplus Brought Forward from 2012/13	6
Estimated Surplus at 31 December 2013	3

- 73 At 15 January 2014, the estimated year end surplus/deficit is notified to the major preceptors for inclusion in the budget setting process for 2014/15 as an additional income or expenditure item. Given the small value of the surplus calculated above, the decision was taken to declare an estimated break-even position on the Council Tax Collection Fund for 2013/14. Any difference between this and the actual position at 31 March 2014 will be carried forward to be taken into account for the surplus/deficit at the end of 2014/15.

Business Rates

- 74 Business rates have been levied on all non-domestic properties since 1990. In all previous years, Durham County Council acted as a tax collector, with all amounts receivable, debtor and creditor balances and provisions owing to or from Central Government.
- 75 2013/14 is the first year of the Business Rates Retention Scheme whereby 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%). For the first time, therefore, it is not only the accuracy and timeliness of bills levied and collected that is monitored and audited, but the level of income anticipated for the year is of

utmost importance and new monitoring procedures have been devised for this purpose.

- 76 Bills raised, exemptions and reliefs awarded are closely monitored together with anticipated changes in reliefs such as Mandatory Charitable on a monthly basis to enable a comparison with the January 2013 estimate used for budget setting purposes. The December 2013 figures were extrapolated to the year end to give an estimated surplus/deficit on the Business Rates Collection Fund as follows:

	£000
Net rate yield for 2013/14 including previous year adjustments	113,556
Estimate of changes due to appeals lodged	-6,510
Estimated losses in Collection	-1,614
Net income receivable (a)	105,432
Agreed allocated shares	
Central Government (50%)	54,037
Durham County Council (49%)	52,957
County Durham and Darlington Fire and Rescue Authority (1%)	1,081
Cost of Collection Allowance (paid to Durham County Council)	604
Total fixed payments (b)	108,679
Net income for year (a) -(b)	-3,247
Estimated deficit at year end extrapolated from actuals at 31 December 2013	3,247

- 77 The extrapolated figures to the year end would accrue a deficit to Durham County Council of £1.591m on the Business Rates Retention Scheme for 2013/14. The major reasons for the change from a surplus of £62k reported in September are as follows:

- there has been an increase in the value of void periods being claimed as businesses move in and out of premises.
- there has been a higher success rate of appeals against rating valuations by ratepayers since the inception of the new Business Rates Retention Scheme than in the period over which the estimate was calculated. This has become evident in the cash adjustments made in the last few months and also prompted an increase in the provision for appeals lodged, yet to be settled.

78 The estimated deficit shown above forms part of the statutory 2014/15 'NNDR1' notification to Business Rates Retention Scheme shareholders – Durham County Council, County Durham and Darlington Fire and Rescue Authority and Central Government. The NNDR1 determines the likely income from Business Rates in 2014/15 and is used in Durham County Council's budget setting process. The amount receivable is the net of:

- The deficit accruing from 2013/14
- The estimated income for 2014/15

79 However, there will continue to be changes to the Business Rates collectable as amendments to ratepayers' accounts are processed to the year end. Any difference between the actual surplus/deficit at 31 March 2014 and the estimate declared on the NNDR1 will be taken into account when the estimated surplus/deficit for 2014/15 is calculated in January 2015.

80 The Business Rates Retention Scheme has not changed the actual business rates charged to ratepayers and therefore was not expected to have a detrimental effect on collection rates. At 31 December 2013, the in-year collection rate for 2013/14 charges was 85.4%, 1.1% above the same point in 2012/13 and 3.6% above the in-year figure for 2011/12.

81 The collection rates for the last three years up to 31 December each year, including the current year are shown below:

Billing year	31 December %
2013/14	85.4
2012/13	84.3
2011/12	81.8

Section 31 Grant- Small Business Rate Relief

82 Business properties with rateable values under £12,000 benefit from relief on the rates payable. Central Government decided to extend the enhanced rates for the whole of 2013/14. This meant that the income receivable under the new Business Rates Retention Scheme would be reduced and a special grant has been awarded to recompense authorities for the shortfall so produced.

83 Properties with rateable values up to £6,000 are granted full relief instead of 50% relief under the previous scheme, and properties with rateable values between £6,000 and £12,000 have relief tapered from 100% down to 0%, but in all cases double the standard relief.

84 The grant has been calculated as 50% of the extended small business rate relief given. Under rules governing the share of Business Rates income, the Local Share of the grant will be 25% of the total relief granted, with 98% of that coming to Durham County Council.

85 As at 31 December 2013, the Small Business Relief awarded is £9.139m. Of this, Durham County Council would receive £2.239m. This figure may increase or decrease during the remainder of the year, as amendments are made to ratepayers' accounts.

Deferred Rates

- 86 During 2012/13, businesses could choose to spread the retail price index increase (3.2%) of their bill over three years. The bills were issued for the whole amount due but part of the bill was not collectable during the billing year.
- 87 Billing Authorities were compensated in 2012/13 by a reduction in the cash payable to Central Government of the whole amount of the rates so deferred. This was done by an adjustment of the audited return NNDR3. Normally, this would have been repayable in 2013/14 and 2014/15 with the deferred rates being added back into the amount payable to Central Government.
- 88 However, with the inception of Business Rates Retention Scheme, CIPFA has notified all Billing Authorities that Government 'does not anticipate recovering this amount'. For Durham County Council, deferred rates in 2012/13 amounted to £0.446m. If the position is confirmed by Government then this amount will be available to the General Fund.

Recommendations and Reasons

- 89 It is recommended that Cabinet:
- Note the projected change in the Council's overall financial position for 2013/14.
 - Agree the proposed 'sums outside the cash limit' for approval.
 - Agree the revenue and capital budget adjustments
 - Note the forecast use of Earmarked Reserves.
 - Note the forecast end of year position for the Cash Limit and General Reserves position.
 - Note the position for the Housing Revenue Account, Capital Programme and the Collection Funds in respect of Council Tax and Business Rates.

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Appendix 1: Implications

Finance -

The report details the 2013/14 forecast of outturn position for Revenue and Capital and details the forecast movement on Reserves.

Staffing -

None

Risk -

None

Equality and Diversity / Public Sector Equality Duty -

None

Accommodation -

None

Crime and Disorder -

None

Human Rights -

None

Consultation -

None

Procurement -

None

Disability Issues -

None

Legal Implications -

None

Appendix 3: Revenue Summary by Expenditure / Income for the period ended 31 March 2014

	Original Budget 2013/14	Agreed Budget	Service Groupings Forecast of Outturn	Corporate Costs	Sums Outside the Cash Limit	Cash Limit Reserve	Contribution to / Use of Earmarked Reserves	Revised Service Outturn	Forecasted Variance (including Corporate Costs)	Forecasted Variance - Corporate Costs
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	474,690	514,811	509,837	0	-1,576	-10	-251	508,000	-6,811	0
Premises	49,324	52,460	52,441	0	-34	56	40	52,503	43	0
Transport	50,097	50,428	48,160	0	-20	0	16	48,156	-2,272	0
Supplies & Services	113,512	128,688	131,469	1,703	-18	179	816	134,149	5,461	-122
Agency & Contracted	269,897	264,026	256,462	3,018	-62	0	5,135	264,553	527	-14
Transfer Payments	210,685	213,183	212,547	0	0	0	2	212,549	-634	0
Central Costs	101,309	105,164	100,832	0	0	-400	8,417	108,849	3,685	0
Other	1,265	12,377	12,404	0	0	0	10,570	22,974	10,597	0
Capital Charges	51,723	50,473	50,473	0	0	0	0	50,473	0	0
GROSS EXPENDITURE	1,322,502	1,391,610	1,374,625	4,721	-1,710	-175	24,745	1,402,206	10,596	-136
Income										
- Specific Grants	528,182	572,155	570,009	3,037	0	0	330	573,376	-1,221	0
- Other Grants & conts	25,320	26,459	32,339	0	0	0	-4,498	27,841	-1,382	0
- Sales	6,720	5,147	4,798	0	0	0	0	4,798	349	0
- Fees & charges	108,122	106,610	108,912	0	3	0	-2	108,913	-2,303	0
- Recharges	169,661	186,165	202,313	0	0	0	-519	201,794	-15,629	0
- Other	8,602	11,961	12,028	150	0	0	-37	12,141	-180	0
Total Income	846,607	908,497	930,399	3,187	3	0	-4,726	928,863	-20,366	0
NET EXPENDITURE	475,895	483,113	444,226	1,534	-1,713	-175	29,471	473,343	-9,770	-136

Appendix 4: Earmarked Reserves Position as at 31 December 2013

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	2012/13 CLOSING BALANCE	USE OF RESERVES	CONTRIBUTION TO RESERVES	TRANSFERS BETWEEN RESERVES	TOTAL MOVEMENT ON RESERVES	2013/14 CLOSING BALANCE AS AT 31 DECEMBER 2013
		£,000	£,000	£,000	£,000	£,000	£,000
ACE AAP/Members Reserve	ACE	-1,854	0	-280	0	-280	-2,134
ACE Grant Reserve	ACE	-233	65	0	0	65	-168
ACE Operational Reserve	ACE	-140	8	0	0	8	-132
ACE Public Health Reserve	ACE	0	0	-350	0	-350	-350
ACE Clinical Commissioning Group Reserve	ACE	0	0	-300	0	-300	-300
Social Care Reserve	CAS	-4,053	1,671	-4,321	0	-2,650	-6,703
Health and Wellbeing Reserve	CAS	-500	500	0	0	500	0
Community Safety Reserve	CAS	-22	22	0	0	22	0
Aycliffe Young People's Centre Reserve	CAS	-428	0	-1,064	0	-1,064	-1,492
Continuing Professional Development Reserve	CAS	-469	0	-218	0	-218	-687
Education Reserve	CAS	-383	80	0	-400	-320	-703
Tackling Troubled Families	CAS	-942	0	-500	0	-500	-1,442
Special Projects Reserve	CAS	-60	0	0	0	0	-60
Public Health Reserve	CAS	0	0	-4,442	0	-4,442	-4,442
Neighbourhoods AAP Reserve	NS	-66	13	0	0	13	-53
Customer Services Reserve	NS	-110	73	0	0	73	-37
Direct Services Reserve	NS	-2,594	850	0	0	850	-1,744
Env. Health and Consumer Protection Reserve	NS	-430	110	0	0	110	-320
Culture and Sport Reserve	NS	-2,291	1,017	-183	0	834	-1,457
Strategic Waste Reserve	NS	-376	376	0	0	376	0
Technical Services Reserve	NS	-445	307	-180	0	127	-318
Transport Asset Management Programme Reserve	NS	-318	9	0	0	9	-309
Economic Development Reserve	RED	-1,018	150	0	0	150	-868
Planning Reserve	RED	-1,688	0	0	0	0	-1,688
North Pennines AONB Partnership Reserve	RED	-919	0	0	0	0	-919
Employability and Training Reserve	RED	-846	0	-516	0	-516	-1,362
RED Regeneration Reserve	RED	-1,051	0	0	0	0	-1,051
Housing Regeneration Reserve	RED	-77	16	0	0	16	-61
Housing Solutions Reserve	RED	-987	55	-51	0	4	-983
Restructure Reserve	RED	-729	0	0	0	0	-729
LSVT Reserve	RED	-111	11	0	0	11	-100
Transport Reserve	RED	-364	0	0	0	0	-364
Funding and Programmes Management Reserve	RED	-175	50	0	0	50	-125
Resources Corporate Reserve	Resources	-1,843	0	0	0	0	-1,843
Resources DWP Grant Reserve	Resources	-107	0	-945	0	-945	-1,052
Resources System Development Reserve	Resources	-850	316	0	0	316	-534
Resources Housing Benefit Subsidy Reserve	Resources	-2,579	330	0	0	330	-2,249
Local Council Tax Support Scheme Reserve	Resources	0	0	-1,031	0	-1,031	-1,031
Resources Land Search Fees Reserve	Resources	-1,000	0	0	0	0	-1,000
Resources Legal Expenses	Resources	-200	0	0	0	0	-200
Resources Elections Reserve	Resources	-800	650	-700	0	-50	-850
Resources ICT Reserves	Resources	-480	87	0	0	87	-393
Cabinet Reserve	Corporate Fin	-220	0	0	0	0	-220
Corporate Reserve - Demographic Pressures	Corporate Fin	-8,650	2,150	0	0	2,150	-6,500
Equal Pay Reserve	Corporate Fin	-7,111	997	-6,820	0	-5,823	-12,934
Insurance Reserve	Corporate Fin	-7,832	0	-2,042	0	-2,042	-9,874
Performance Reward Grant Reserve	Corporate Fin	-1,735	419	0	0	419	-1,316
MTFP Redundancy and Early Retirement Reserve	Corporate Fin	-4,839	2,622	-15,000	0	-12,378	-17,217
Total Non-Schools Reserve		-61,925	12,954	-38,943	-400	-26,389	-88,314
Cash Limit Reserves							
Assistant Chief Executive		-1,165	389	-264	0	125	-1,040
Children and Adults Services		-9,732	4,291	-9,358	400	-4,667	-14,399
Neighbourhood Services		-2,311	495	-844	0	-349	-2,660
Regeneration and Economic Dev		-3,416	434	0	0	434	-2,982
Resources		-3,280	463	0	0	463	-2,817
Total Cash Limit Reserves		-19,904	6,072	-10,466	400	-3,994	-23,898
Schools' Balances							
Schools' Revenue Balance	CAS	-19,418	2,139	0	0	2,139	-17,279
DSG Reserve	CAS	-4,623	0	0	0	0	-4,623
Total Schools and DSG Reserve		-24,041	2,139	0	0	2,139	-21,902
Total Earmarked Reserves		-105,870	21,165	-49,409	0	-28,244	-134,114

Appendix 5: Forecasted Housing Revenue Account to 31 March 2014

	Annual Budget	Projected Outturn	Forecasted Variance
	£000	£000	£000
Income			
Dwelling Rents	-63,633	-63,202	431
Non Dwelling Rents	-1,075	-1,068	7
Charges for Services and Facilities	-391	-389	2
Total Income	-65,099	-64,659	440
Expenditure			
ALMO Management Fee and Outsourced Contract	16,469	16,469	0
Repairs and Maintenance	4,433	4,433	0
Supervision and Management - General	4,417	4,602	185
Supervision and Management - Special	411	388	-23
Rents, Rates, Taxes and other Charges	310	450	140
Depreciation and Impairment of fixed assets	7,850	8,150	300
Increase/Decrease in bad debt provision	968	650	-318
Debt Management Costs	194	194	0
Total Expenditure	35,052	35,336	284
Net cost of HRA services per Authority I&E Account	-30,047	-29,323	724
HRA services share of Corporate and Democratic Core	1,085	1,085	0
Net Cost of services but not allocated to specific services	402	402	0
Net cost of HRA Services	-28,560	-27,836	724
Interest Payable and Similar Charges	12,447	10,862	-1,585
Direct Revenue Financing [Balancing Item on HRA]	16,217	17,078	861
Interest and Investment Income	-104	-104	0
[Surplus] / Deficit for the year on HRA services	0	0	0