

Cabinet

19 November 2014



Forecast of Revenue and Capital Outturn 2014/15 for General Fund and Housing Revenue Account – Period to 30 September 2014

**Report of Corporate Management Team
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Purpose of the Report

- 1 To provide Cabinet with a forecast of 2014/15 revenue and capital outturn, based on the period to 30 September 2014 for the Council's General Fund and Housing Revenue Account. The report also includes the updated forecasts for the Collection Funds (Council Tax and Business Rates).

Background

- 2 This report updates the information presented to Cabinet on 10 September showing the forecasted revenue and capital outturn based on expenditure and income up to 30 June 2014 and incorporates the recommended changes to cash limits within Service Groupings agreed at that time, updates to the forecasts previously reported and revised forecast balances on general and earmarked reserves at 31 March 2015.
- 3 The report also provides an update on the Collection Fund in terms of Council Tax and Business Rates forecast outturn.

Revenue - Current Position to 30 September 2014

- 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 2014:
 - (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).

Forecast of General Fund Revenue Outturn 2014/15

	Original Budget 2014/15	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000
Assistant Chief Executive	10,200	10,805	10,725	-80
Children and Adults Services	275,231	273,646	270,397	-3,249
Neighbourhood Services	109,765	114,374	113,554	-820
Regeneration and Economic Development Resources	42,653	44,927	43,877	-1,050
	14,447	15,578	14,456	-1,122
Cash Limit Position	452,296	459,330	453,009	-6,321
Contingencies	7,706	8,908	8,908	0
Corporate Costs	3,924	3,663	3,625	-38
NET COST OF SERVICES	463,926	471,901	465,542	-6,359
Capital charges	-50,474	-50,474	-50,474	0
Interest and Investment income	-1,441	-1,441	-1,689	-248
Interest payable and similar charges	38,444	38,291	33,791	-4,500
Net Expenditure	450,455	458,277	447,170	-11,107
Funded By:				
Council tax	-168,844	-168,844	-168,844	0
Council tax freeze grant	0	0	0	0
Use of earmarked reserves	-8,140	-8,265	-8,265	0
Estimated net surplus on Collection Fund	0	0	0	0
Start up Funding Assessment	-250,409	-250,409	-250,409	0
New Homes Bonus	-6,784	-6,784	-6,783	1
New Homes Bonus - Re-imburement	-390	-390	-381	9
Section 31 Grant - Small business rate relief	-2,194	-2,194	-2,343	-149
Section 31 Grant - Settlement Funding Assessment Adj	-1,703	-1,703	-1,084	619
Section 31 Grant - Retail Adjustment	-1,204	-1,204	-1,215	-11
Education Services Grant	-7,237	-7,237	-7,490	-253
Forecast contribution to/from Cash Limit Reserve	-2,617	-7,314	-993	6,321
Forecast contribution to/from General Reserves	-933	-3,933	637	4,570
TOTAL	-0	-0	-0	0

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

- 6 The updated position in terms of sums Service Groupings have proposed as being outside the Cash Limit (was £1.162m at quarter 1) are detailed below:

SERVICE GROUPING	PROPOSAL	Amount
		£m
ACE	Pay Protection from At Risk Register	0.007
Neighbourhoods	Bridge Inspections	0.411
	Waste Disposal Inflation	0.235
RED	Whinney Hill School – Security (Surplus Property)	0.083
	Concessionary Fares	0.293
	Office Accommodation Project	0.120
Resources	Coroner's Service	0.216
	E-learning (HR)	0.018
Total		1.383

- 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 2014	Budgetted use at 1 April 2014	Movement during 2014/15		2014/15 Forecast of 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	-1.005	0.250	0.216	-0.080	-0.619
Children and Adults Services	-12.029	1.879	1.580	-3.249	-11.819
Neighbourhoods	-2.782	0.130	0.370	-0.820	-3.102
Regeneration and Econ Development Resources	-3.007	0.000	1.213	-1.050	-2.844
	-3.563	0.358	1.318	-1.122	-3.009
TOTAL CASH LIMIT RESERVE	-22.386	2.617	4.697	-6.321	-21.393
General Reserve	-28.132	0.933	3.000	-4.570	-28.769

- 8 The table above takes into account the creation of the Planned Delivery Programme (PDP) Reserve. The 16 July 2014 MTFP(5) Cabinet report introduced the option of the utilisation of a PDP reserve to support the MTFP(5) process. For indicative purposes the utilisation of PDP of £10m in each of 2016/17 and 2017/18 was modelled to enable consideration to be given to utilising PDP to support the MTFP. It is recommended that an initial PDP reserve of £10m be created. A review of Earmarked Reserves has been carried out to identify options for transfer into PDP. The table below identifies the recommended sums for transfer into the PDP Reserve.

Reserve	Sum to Transfer	
	£m	£m
Earmarked Reserves		
Corporate Procurement	1.500	
Housing Benefit Subsidy	1.200	
Cabinet Reserve	0.200	
Local Stock Voluntary Transfer Reserve	<u>0.100</u>	
Total Earmarked Reserve		3.000
Cash Limit Reserves		
ACE	0.216	
CAS	1.580	
NS	0.022	
RED	0.985	
RES	1.197	
		4.000
General Reserve		3.000
PDP Reserve		10.000

- 9 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 £88.918m over 2015/16 to 2017/18, as the delivery of such is becoming more and more difficult to achieve.
- 10 The reasons for the major variances are detailed by each Service Grouping below.

Assistant Chief Executive

- 11 The forecast revenue outturn for 2014/15 is a cash limit underspend of £80k for the year after taking account of the forecast use of reserves and items outside the cash limit, which is a small improvement on the Quarter 1 forecast position of £50k underspent.
- 12 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 - £67k overspend primarily due to a managed overspend on employee related costs.
 - Planning and Performance – £17k underspend mainly as a result of a managed underspend on supplies and services.
 - Policy and Communications - £0.130m underspend predominantly resulting from a £79k managed underspend on employees in the Civil Contingencies Unit, plus additional income from advertising of £17k. The remainder of the underspend is from tight control of the supplies and services budget across the service.
 - Each of the 14 area action partnerships (AAP) have an 'Area' budget to contribute to local projects of £96k in 2014/15. Combined with revenue budgets carried forward from previous years the total revenue budget across all 14 AAP's is £3.580m. Committed spend of £1.774m is currently being held against this budget and it is anticipated that the remaining £1.806m will be committed to investments during the remainder of 2014/15
 - In 2014/15 Members' Neighbourhood revenue budget, including sums carried forward from the previous year, totalled £1.735m. Committed spend of £0.628m is currently held against this budget and it is anticipated that the remaining £1.107m will be committed to the associated projects and initiatives during the remainder of 2014/15.
- 13 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 £0.619m from April 2015.

Children and Adults Services

- 14 The 2014/15 projected outturn position for Children and Adults Services (CAS), based on the position to 30 September 2014, is a cash limit under spend of £3.249m against a revised budget of £268.779m. This represents

circa 1.2% of the total budget for CAS and is line with the position reported at Quarter 1.

- 15 The projected outturn takes into account adjustments for sums outside the cash limit including redundancy costs which are met from the corporate reserves, capital accounting entries and use of / contributions to earmarked reserves.
- 16 The forecast underspend is a managed position, reflecting the proactive management of activity by Heads of Service across CAS to remain within the cash limit. The forecast underspend is accounted for by the net effect of the following items:
- Early achievement of a number of 2015/16 MTFP savings from management and support service proposals across the Adult Care and related areas, together with the careful management and control of vacant posts and supplies and services budgets across the service has created a projected net under spend for the year of approximately £3.6m;
 - Net spend on adult care packages is forecast to be approximately £3.9m below budget, which represents circa 4% of the adult social care budget. This area of spend is closely monitored to assess the impact of demographic and procedural/operational changes. Ongoing savings have arisen from the consistent and effective application of the existing eligibility criteria, and the ongoing transformational change agenda, linked to the provision of social care, will further refine processes. CAS Service Managers continue to review the approach to future years' savings in order to build this into future years' proposals where it is appropriate to do so. This needs careful consideration in light of transition cases, potential for ordinary residence claims, the potential for increased care package costs linked to older carers, general increases in demand and the implications of and funding provided as a consequence of the Care Act changes.
 - Excluded from the cash limit outturn is a £7m contribution to the Demographics / Hyper Inflation Reserve to offset and delay MTFP pressures into future years;
 - Children's Services is forecasting a net under spend of £2.275m. This is primarily related to savings from a reduction in the number of Looked after Children placed with Independent Fostering Agencies and associated costs and vacancies across the service in advance of restructuring activity planned in 2015/16. This represents c3.6% of the children's services budget.
 - The Education Service is currently forecasting a net under spend of £0.520m. In the main this relates to early achievement of 2015/16 MTFP savings related to vacant posts, restructuring and additional Service Level contract income. This represents c2.6% of the education services controllable budget.
- 17 Taking the projected outturn position into account, including the transfer to/from Reserves in year, the estimated cash limit reserve to be carried forward for Children and Adults Services is forecast to be £11.819m.

Neighbourhood Services

- 18 The forecast revenue outturn for 2014/15 is a cash limit underspend of £0.820m, after taking account of the forecast use of reserves, and items outside the cash limit. This compares to the previous forecast, at Quarter 1, of a £0.486m underspend.
- 19 The forecast underspend is a managed position, reflecting the proactive management of activity by Heads of Service across Neighbourhoods to remain within the cash limit.
- 20 The main reasons accounting for the outturn position are as follows:
- Within Direct Services there is an increased surplus within Building Services of £0.130m, and there are underspends on premises costs relating to Admin Buildings (£0.173m), and Depots (£0.261m).
 - There is a projected underspend of £0.170m within Technical Services. The trading areas in Highway and Design Services are generating increased surpluses of approximately £2.0m but these are offsetting increased policy led expenditure on highway maintenance in relation to Category 1 and Category 2 defects (£0.450m), structures inspections (£0.400m) and gully cleansing (£0.300m). Category 1 and Category 2 defects are identified from Highway Safety Inspections and repairs are required in accordance with our Highway Safety Inspection Manual and our Highway Maintenance Plan which are aligned with national standards. Similarly, the increased expenditure on structures' inspections and gully cleansing is to meet the Highway Maintenance Plan which is aligned with national standards.
 - There are underspends of £0.315m within Environmental Health and Consumer Protection associated with savings on employees and supplies and services. Some of these underspends relate to early achievement of 2015/16 MTFP savings requirements.
 - Within Projects and Business Services, there is a forecast overspend of approximately £0.378m. This is due to an overspend of £0.435m within Strategic Waste mainly due to additional costs associated with the Materials Recycling Facility contract for processing of Dry Kerbside Recycling materials, and increased repairs and maintenance costs associated with Power Generation equipment. The overspend within Waste is partially offset by underspends within Business Support and Policy, Performance and Communications.
- 21 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 £3.102m

Regeneration and Economic Development (RED)

- 22 The 2014/15 forecast outturn for Regeneration and Economic Development is a cash limit underspend of £1.050m. This 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, or contributions to earmarked reserves. This compares to the previous forecast, at Quarter 1, of a £0.424m underspend.
- 23 The main reasons accounting for the outturn position are shown below:
- Strategy Programmes and Performance - £79k saving on salary costs due to vacancies, maternity leave and staff working reduced hours.
 - Economic Development and Housing - £0.245m underspend primarily due to increased occupancy levels and income at Netpark and a restructure of the Housing Solutions service. Both of these underspends reflect early achievement of planned 2015/16 MTFP savings.
 - Planning and Assets - £0.668m underspend which consists of a £0.886m underspend in the Planning service and a £0.218m overspend on Assets. The underspend in the Planning service primarily results from an increase in planning fee income, from vacant posts and other efficiency savings on running costs. The Assets service is experiencing income pressures mainly from Newgate Street in Bishop Auckland, the Brackenhill Centre in Peterlee and Millennium Square in Durham City where rental income is not being achieved.
 - Transport - £58k underspend overall. Assumed in the forecast is reduced car parking income and overspends on the parking services contract which are offset by savings in the bus contracts and additional Care Connect income.
- 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 Regeneration and Economic Development is £2.844m.

Resources

- 25 The forecast revenue outturn for 2014/15 is a cash limit underspend of £1.160m for the year after taking account of the forecast use of reserves and items outside the cash limit. This compares to the previous forecast, at Quarter 1, of a £0.658m underspend
- 26 The forecast underspend is a managed position. The Heads of Service across Resources continue to proactively manage activity to remain within the cash limit. The main reasons for the projected underspend position is the net effect of the following items:
- Corporate Finance is forecast to underspend by £0.252m. £0.176m of this relates to the early achievement of 2015/16 MTFP savings. Increased income of £67k, including £46k for VAT services, is also forecast.

- Financial Services is forecast to underspend by £0.342m, consisting primarily of £0.256m in respect of the early achievement of 2015/16 MTFP savings. There are also managed underspends against supplies and services (£51k) and staff travel costs (£62k) and increased income of £78k from SLAs and Job Centre Plus. These are offset by a net increase of £0.100m for work packages in Revenues and Benefits.
- Human Resources is forecasting an underspend of £0.211m through a £0.259m saving from staff vacancies from the service restructure linked to the achievement of 2014/15 and 2015/16 MTFP savings, partly offset by project management costs incurred in support of the restructure.
- ICT Services is forecasting an overspend of £0.130m, including £71k unbudgeted costs of the Digital Durham project and a shortfall in net income from services provided via its traded activity.
- Internal Audit is forecast to underspend by £86k primarily through an underspend on employees, where tight management and control of staff vacancies and secondments is in place in anticipation of 2015/16 MTFP savings.
- Legal and Democratic Services is forecast to underspend by £0.261m, comprising £0.135m from the early achievement of future years MTFP savings, £60k of savings from current vacancies savings and increased income of £93k within the Registration Service, partly offset by minor variance across a range of other budget headings.
- Service Management is forecast to underspend by £0.100m, through income generated from providing strategic HR, Legal and ICT services to Northumberland County Council under a collaboration arrangement.
- Housing Benefits is forecasting a balanced budget position after a £0.130m overspend on Discretionary Housing Payments is funded from reserves.

27 There is also a £38k underspend against Centrally Administered Costs, after the contribution of £0.130m to reserves from a £0.130m underspend against Welfare Assistance. Savings against the budgets for Audit Fees (£42k), subscriptions (£15k) and bank charges (£30k) are partly offset by an overspend on expenses associated with raising loans (£48k).

28 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 £3.009m.

Central Budgets

- Interest Payable and Similar Charges - Capital Financing

29 During the quarter a further review of capital financing costs, linked to re-profiling within the capital programmes, has led to a forecast underspend of £4.5m (previously £2.5m). 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

- 30 The forecast of outturn is an overachievement of income of £0.248m 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

- 31 The forecast of outturn reflects net additional grant income of £0.253m which is due to the actual grant notification being higher than the amount budgeted for in 2014/15. This grant is subject to a 23% reduction in 2015/16, amounting to circa £1.5m, which is factored into the MTFP forecasts reported to Cabinet in July 2014.

Earmarked Reserves Forecast

- 32 The table at Appendix 4 sets out the 55 earmarked reserves that the Council has plus two earmarked reserves for schools, where funding has been set aside in anticipation of future expenditure and shows the forecasted balance on these reserves by 31 March 2015. The table also takes into account the creation of the Planned Delivery Programme (PDP) Reserve.

- 33 A summary of the latest forecast by 31 March 2015 is shown below:

	Non-Schools	Schools and DSG	Cash Limits	TOTAL
	£m	£m	£m	£m
Opening Earmarked Balances as at 1 April 2014	-112.512	-31.051	-22.386	-165.949
Less/Plus Forecasted usage/increase of Earmarked Reserves	3.398	4.867	0.993	9.258
Forecasted Earmarked Reserve Balance as at 31 March 2015	-109.114	-26.184	-21.393	-156.691

Schools

- 34 The total delegated budget for maintained schools (including early years' providers) in 2014/15 is £249.045m. In addition, schools will receive around £19.690m in Pupil Premium income and £10.733m in other income, primarily grants and fees and charges linked to schools meals, breakfast and after school club income.
- 35 Where schools spend more than their delegated budgets, the overspend reduces their accumulated balance. At 31 March 2014, 6 schools had a deficit balance totalling £0.960m, 12 schools were holding a balance of less than 2.5% of their overall funding and 240 schools had balances of more than 2.5% of their overall funding. In the period 1 April to 30 September 2014, three schools have closed and one has converted to an academy.

36 School reserves brought forward from 2013/14 were £24.684m. This balance is net of loans to schools and other balances not related to maintained schools. Maintained schools balances amounted to £25.280m, which has reduced to £25.022m following the closures and conversions. Based on updated budget plans approved by Governing bodies and updated forecasts, schools are currently planning to use £4.867m of these balances in 2014/15, compared to £5.446m at quarter one. The forecast balances at 31 March 2015 are £19.817m (£19.834m at quarter one) and a summary of this forecast position is provided in the following table:

Schools forecasting a surplus above 2.5% of funding						
	Nursery	PRU	Primary	Secondary	Special	Total
Number	12	-	202	9	9	232
Forecast	(£0.792m)	-	(£16.804m)	(£1.937m)	(£1.499m)	(£21.032m)
Schools forecasting a surplus of less than 2.5% of funding						
	Nursery	PRU	Primary	Secondary	Special	Total
Number	-	-	12	5	-	17
Forecast	-	-	(£0.198m)	(£0.359m)	-	(£0.557m)
Schools forecasting a deficit						
	Nursery	PRU	Primary	Secondary	Special	Total
Number	-	1	1	3	-	5
Forecast	-	£0.182m	£0.005m	£1.585m	-	£1.772m
Total						
	Nursery	PRU	Primary	Secondary	Special	Total
Number	12	1	215	17	9	254
Forecast	(£0.792m)	£0.182m	(£16.997m)	(£0.711m)	(£1.499m)	(£19.817m)

37 The main cause for concern remains with the secondary schools forecasting deficit balances at the end of the year. Officers from CAS and Financial Services in Resources are working with two of the schools to establish budget plans to clear their deficits. The third school is in this position because of a temporary reduction in pupil numbers and is expected to be in deficit for the next two financial years. One special school was previously forecasting a deficit, but is now forecasting a surplus.

38 Figures for the second quarter exclude one primary school, which became an academy on 1 September 2014.

Housing Revenue Account (HRA)

39 In summary, the HRA shows a forecasted balanced outturn position on the revenue account after using a projected surplus of £2.150m towards the capital programme. The following table summarises the position with the detail shown in Appendix 5:

Housing Revenue Account	2014/15 Budget	2014/15 Projected Outturn	Variance
	£000	£000	£000
Income			
Dwelling Rents	-64,558	-64,792	-234
Other Income	-1,371	-1,366	5
Interest and Investment Income	-105	-105	0
Total Income	-66,034	-66,263	-229
Expenditure			
ALMO Fees	16,799	16,799	0
Repairs, Supervision and Management Costs	12,019	12,019	0
Depreciation	7,872	7,872	0
Interest Payable	12,627	10,706	-1,921
Revenue Contribution to Capital Programme	16,717	18,867	2,150
Total Expenditure	66,034	66,263	229
2014/15 Surplus transferred to balances	0	0	0

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

40 The main variances are explained below:

- Dwelling Rents £0.234m increased income – this results from a lower than anticipated void rate and less Right to Buys being completed;
- Interest Payments £1.921m underspend – this results from a lower interest rate and lower outstanding loan debt than originally anticipated, due in part to re-profiling of the capital programme in year;
- Revenue Support to Capital £2.150m surplus – the balancing item on the HRA which identifies the potential resources available to support the capital programme and reduce our reliance on borrowing.

Capital

Background

- 41 The General Fund (GF) capital budget for 2014/15 was set at £166.292m by Council on 26 February 2014. Re-profiling from the 2013/14 capital programme outturn into 2014/15, amounting to £22.341m, was reported to Cabinet on 16 July 2014.
- 42 The 2014/15 Housing Revenue Account (HRA) Capital budget of £50.489m was also approved by Council on 26 February 2014.
- 43 The Council's Member Officer Working Group (MOWG), which closely monitors the capital programme, has since recommended approval to Cabinet of further revisions to the capital programme, taking into account additional resources received by the authority and further requests for re-profiling as Service Management Teams continue to monitor and review their capital schemes.

Current Position

- 44 The following table summarises the latest capital budget recommended for approval by MOWG up to 6 October 2014. The table also shows the revised programme for each service and the actual spend as at 30 September 2014.

Service Grouping	Original Budget £m	Reprofiling from 2013/14 to 2014/15 £m	Amendments recommended by MOWG £m	Revised 2014/15 Budget £m	Actual Spend to 30 September 2014 £m
Assistant Chief Executives	3.471	0.932	0.052	4.455	0.460
Children and Adults Services	56.839	11.697	5.268	73.804	18.355
Neighbourhoods	38.840	5.352	2.999	47.191	14.484
Regeneration and Economic Development	56.269	2.835	-12.571	46.533	14.419
Resources	10.873	1.525	-3.412	8.986	2.498
Total	166.292	22.341	-7.664	180.969	50.216

- 45 Since the 2014/15 budget was approved at Council on 26 February 2014 MOWG have approved a number of variations to the capital programme. The following significant variations have been approved by MOWG and are of note:

- **CAS** - £3.467m to cover the cost of demolition and site clearance of school premises at Wolsingham, Tudhoe Grange, Consett, Harelaw and Stanley.
- **CAS** - £0.168m additional school contributions to assist with the completion of the works associated with the investment required to deliver the Universal Infant Free School Meals programme.
- **CAS** - £4.209m toward the school capital programme, being met from anticipated ring-fenced capital receipts of £3.297m and Basic Need Grant of £0.512m and Sedgfield School contribution of £0.400m.

- **RED** - £0.269m to compensate the Church Commissioners should they decide to exercise their mines and mineral rights over the land the Council wishes to sell or develop.
- **RED** - £12.9m expansion at the North East Technology Park (NetPark) in Sedgefield to be delivered in 2015/16.
- **RED** - £0.147m of additional S106 funding secured to invest within Town centre redevelopment primarily within Consett and Shotley Bridge.
- **RED** - £0.223m of additional grant was secured by RED for investment in the Local Transport Plan.
- **RED** - £36k contribution from the Fire Service towards development of traffic signalling at Sniperley.
- **Neighbourhood Services** - £2.198m additional ring-fenced grant funding, 'Potholes in the Highway' has been secured from the Department for Transport.
- **Neighbourhood Services** - £1.507m additional grant from the Environment Agency towards work at Seaham pier to be delivered in 2015/16.
- **Neighbourhood Services** - £2.0m of additional investment committed to the development of replacement CRM system to be delivered in 2015/16.
- **Resources** - £0.4m of additional investment into a replacement pension administration software solution.

46 Budget managers continue to challenge and review the programming and phasing of works, which has resulted in the re-profiling of the following budgets in line with anticipated activity:

- **RED** - £14.650m of the 2014/15 capital budget allocated to Economic Development and Housing (£2.170m), Planning and Assets (£7.157m), Strategy/Programmes and Performance (£0.329m) and Transport and Contracted Services (£4.994m) has been re-profiled into future years. Significant progress in completing the demolition and clearance of former school sites has been made leading to £1.505m of the allocated schools demolition / site clearance budget initially allocated to 2015-16 being brought forward to 2014/15 to fund the activity.
- **Resources** - £2.14m of the 2014/15 capital budget for the delivery of the Digital Durham Project has been re-profiled to 2015/16 together with £0.115m of the 2015/16 budget into 2016/17.
- **Neighbourhood Services** - £1.968m of the 2014/15 capital budget allocated to the improvement projects at the waste transfer stations has been re-profiled into 2015/16.

- **CAS** - As referred to above, the increase of £4.209m in the school related budget from 2016/17 Basic Need capital allocation (£0.512m), the investment of earmarked capital receipts (£3.297m) and the additional schools contribution (£0.400m) has been profiled across the financial years 2014/15 to 2016/17 as follows:

Year	Amount £m
2014/15	0.386
2015/16	1.710
2016/17	2.113

In addition £1.45m of existing Basic Need and Capitalised Maintenance Grant has been reprofiled from 2014/15 to 2015/16 to correspond to expected project delivery.

Housing Revenue Account Capital Programme 2014/15

Service Grouping	Original Budget £m	Reprofiling from 2013/14 to 2014/15 £m	Amendments recommended by MOWG £m	Revised 2014/15 Budget £m	Projected Outturn £m	Actual Spend to 30 September 2014 £m
HRA	50.489		-0.456	50.033	50.033	16.749
Total	50.489	-	-0.456	50.033	50.033	16.749

- 47 It is anticipated that the projected outturn at 31 March 2015 will be in line with the revised budget.

Capital Financing

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

Financing – General Fund Capital Programme 2014/15

Financed By	Original Budget £m	Reprofiling from 2013/14 to 2014/15 £m	Amendments recommended by MOWG £m	Revised 2014/15 Budget £m
Grants and Contributions	69.055	5.741	-13.427	61.369
Revenue and Reserves	4.993	2.606	-1.397	6.202
Capital Receipts	20.474	3.150	-13.395	10.229
Borrowing	71.770	10.844	20.555	103.169
Total	166.292	22.341	-7.664	180.969

Financing – Housing Revenue Account Capital Programme 2014/15

Financed By	Original Budget £m	Reprofiling from 2013/14 to 2014/15 £m	Amendments recommended by MOWG £m	Revised 2014/15 Budget £m
Grants and Contributions	19.286	-	0.033	19.319
Revenue and Reserves	24.589	-	0.000	24.589
Capital Receipts	1.547	-	0.000	1.547
Borrowing	5.067	-	-0.489	4.578
Total	50.489	-	-0.456	50.033

Collection Funds

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

Council Tax

50 Council Tax is charged for all residential dwellings in bandings agreed by the Valuation Office, which is part of Her Majesty's Revenues and Customs (HMRC). Exemptions, reliefs and discounts are awarded dependent upon the state of the property, its use and occupiers' personal circumstances.

51 Council Tax collection for Q2 2014/15 is ahead of target. This has been achieved through more automation of the 2014/15 recovery schedule used to target non-payers. A detailed review is also being undertaken during 2014/15 analysing the collection rates relating to various classifications of premises, such as empty property, to ensure optimal targeting of resources to further improve the collection rate.

52 The in-year collection rates for the last three years including the current year are shown below:

Billing year	Position at 30 September Each Year %
2014/15	55.91
2013/14	55.18
2012/13	55.17

53 The current overall collection rate for 2013/14 council tax liabilities is now 96.60% and for 2012/13 council tax liabilities is now 97.59%. The Council continues to recover Council Tax from earlier years and currently, the collection rate for all years excluding the current year is 99.02% which is line with our medium term financial plan forecasts.

54 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%.

- 55 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 dynamic day to day basis. In addition, adjustments for previous billing years take place during each accounting year. All of these adjustments mean that the actual amounts collected will always differ from the estimate. Such differences at the end of each accounting year, after taking into account the calculated change required in the 'bad debt' provision, determines whether a surplus or deficit has arisen, which is then shared proportionately between the Council and its major preceptors being Durham Police and Crime Commissioner and County Durham and Darlington Fire and Rescue Authority.
- 56 At 30 September 2014, the Estimated Outturn for the Council Tax Collection Fund was a break-even situation arrived at as shown in the following table. Durham County Council's share would therefore be NIL.

	£'000
Net Bills issued during Accounting Year 2014/15	272,895
LCTRS and previous year CTB adjustments	-52,811
Calculated change in provision for bad debts required and write offs	-8,306
Net income receivable (a)	211,778
Precepts and Demands	
Durham County Council (including Parish/Town Councils)	179,295
Durham Police and Crime Commissioner	20,592
County Durham and Darlington Fire and Rescue Authority	11,893
Total Precepts and Demands (b)	211,780
Net Surplus / (-) Deficit for year (a) – (b)	-2
Surplus Brought Forward from 2013/14	2
Estimated year end surplus	0

- 57 At 15 January in each year, the estimated surplus/deficit on the Collection Fund Council Tax Account is notified to the two major preceptors for inclusion in the budget setting process for the following year as an additional income or expenditure item. At 15 January 2014 an estimated break-even position on the Council Tax Collection Fund for 2013/14 was declared. The actual surplus of £2k was in line with that estimate and this was carried forward to 15 January 2015 and will be taken into account in estimating the surplus/deficit for 2014/15, which will need to be taken into account for 2015/16 budget setting.

Business Rates

- 58 Business rates have been levied on all non-domestic properties since 1990. Prior to 2013/14, the Council acted simply as a tax collector for Central Government, with all amounts receivable, debtor and creditor balances and provisions owing to or from Central Government. The Council remained largely unaffected by changes in business rate yield or liabilities in each year.
- 59 2013/14 was the first year of the new Business Rates Retention Scheme whereby the Council now has a real vested budget interest and stake in the level of business rate yield, as income generated from Business Rates is now 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 important and new monitoring procedures have been devised for this purpose.
- 60 Bills raised, exemptions and reliefs awarded are examined together with local knowledge of anticipated changes in reliefs such as Mandatory Charitable relief and Discretionary Rate Relief on a monthly basis to enable a comparison with the January 2014 estimate that was used for budget setting purposes. At 30 September 2014, the forecast outturn for the Collection Fund Business Rates is an in year surplus of £4.314m arrived at as shown in the following table.

	£'000
Net rate yield for 2014/15 including previous year adjustments	118,392
Estimate of changes due to appeals lodged and future appeals	-1,031
Estimated losses in Collection – Provision for Bad Debts and Write-offs	-5,582
Net income receivable (a)	111,779
Agreed allocated shares	
Central Government (50%)	55,051
Durham County Council (49%)	53,950
County Durham and Darlington Fire and Rescue Authority (1%)	1,101
Recoupment of Previous year's deficit	-3,247
Cost of Collection Allowance and Renewable Energy (paid to Durham County Council)	610
Total fixed payments (b)	107,465
Net surplus/deficit (-) for year (a) – (b)	4,314
Deficit brought forward from 2013/14	-3,282
Estimated year end surplus	1,032

- 61 The in-year surplus forecast will offset the deficit brought forward from 2013/14, leaving a residual balance of £1.032m at 31 March 2015. Any surpluses or deficits at 31 March are shared proportionately between Durham County Council, Central Government and County Durham and Darlington Fire and Rescue, Durham County Council's share being 49%. In the above estimate, Durham County Council's share of this surplus would be £0.505m. However, the increase in expected income is matched by a decrease in expected Section 31 grants related to Business Rate reliefs, making a break-even situation overall.
- 62 The Business Rates Retention Scheme has not changed the actual business rates charged to ratepayers and therefore is not expected to have a detrimental effect on collection rates. However, at 30 September 2014, the in-year collection rate for 2014/15 charges was 58.0% which was 2.71 percentage points below the same point in 2013/14. Investigations of the reasons for the lower collection rate have revealed that a large proportion of the debit originally due over 10 months has been spread over 12 months following requests made by ratepayers. In addition, the new retail relief and new build relief application process has caused Ratepayers to delay payments pending an award decision. Discussions with colleagues in neighbouring authorities indicate that this is something that is being experienced by other authorities this year.
- 63 The in-year collection rates for the last three years, including the current year, are shown below:

Billing year	30 September %
2014/15	58.00
2013/14	60.71
2012/13	60.00

- 64 Whilst the year to date position in the current year is 2.71% points below the same point last year, in year performance is actually 0.39% points ahead of the re-profiled target. The re-profiled in-year target as at 30 September takes into account the fact that the major Business Rate Payers (all supermarket chains etc.) have all opted to pay their Business Rates over 12 months this year, whereas last year they paid over 10 months in line with the original statutory requirement. The Government changed the statutory instalment periods 1 April 2014, allowing business rate payers the right to request payment over 12 months rather than over 10.
- 65 The current overall collection rate for 2013/14 business rate liabilities is now 97.37% and for 2012/13 business rate liabilities is now 97.91%. The Council continues to recover Business Rates from earlier years and currently, the collection rate for all years excluding the current year is 99.15% which is line with our medium term financial plan forecasts.

Section 31 Grant - Small Business Rate Relief

- 66 Small Business Ratepayers with properties with rateable values under £12,000 benefit from relief on their rates payable. The Government has awarded local authorities a special '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.

- 67 Small Business Ratepayers with properties with rateable values up to £6,000 are currently being granted full relief instead of 50% relief under the previous scheme, and properties with rateable values between £6,000 and £12,000 have a tapered relief applied to them ranging from 100% down to 0%, but in all cases double the standard relief.
- 68 The Section 31 grant has been calculated as 50% of the extended small business rate relief awarded. Under rules governing the share of Business Rates income, the Local Share of the grant is therefore calculated as 25% of the total relief granted, with 98% of that figure accruing to Durham County Council and 2% to County Durham and Darlington Fire and Rescue Authority.
- 69 The Government has only agreed to pay Section 31 grant for the additional Small Business Rate Relief in respect of 2014/15 business rates bills and adjustments to the Small Business Rate Relief on 2013/14 bills. Any adjustments that relate to bills for years prior to this will be dealt with as part of the normal Rate Retention shares. At 30 September 2014, the estimated gross Small Business Relief awarded against 2014/15 Business Rates bills and adjustments to 2013/14 bills is £9.462m, and on this the Council would receive £2.343m in Section 31 Grant, including the capping adjustment.

Other Section 31 Grants

- 70 In the Autumn Statement 2013, additional Business Rate Reliefs were announced for 2014/15, for which Section 13 Grants would be payable. These included one for properties empty from new, reoccupation of long-term empty properties and an additional relief for small shops. Durham County Council will be recompensed for any retained rates foregone because of reliefs given. 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. At 30 September 2014, the estimated shortfall in Section 31 grants was £0.505m, the same as the estimated share of the estimated Collection Fund- Business Rates surplus, giving overall a break even position.

Provision for Appeals

- 71 Ratepayers have the right to appeal against the rateable value of their properties which are assessed by the Valuation Office Agency, part of HMRC. If successful, the appeal may result in a reduction being applied to all bills issued from 1 April 2010 for that property. Appeals can continue to be lodged against bills dating back to 1 April 2010 at any time up to 31 March 2017. The level of appeals being lodged and the time taken to settle them can have a detrimental and unpredictable effect on the income for any one year. In order to manage this, we have made a provision in our Business Rates Collection Fund for the repayment of rates already billed due to potential successful appeal outcomes. At 30 September 2014, we estimated that the provision for Appeals would need to be increased by £1,031m for 2014/15. This will continue to be monitored as the appeals are settled during the rest of 2014/15.

Recommendations and Reasons

72 It is recommended that Cabinet:

- Note the projected change in the Council's overall financial position for 2014/15.
- 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.
- Note the creation of the PDP Reserve.
- Agree that Schools be advised of the need to have minimum and maximum balances at 31 March as detailed in paragraphs 33 to 37.
- Note the position for the Housing Revenue Account, Capital Programme and the Collection Funds in respect of Council Tax and Business Rates.

Background Papers

- (a) County Council – 26 February 2014 – General Fund Medium Term Financial Plan, 2014/15 to 2016/17 and Revenue and Capital Budget 2014/15
- (b) County Council – 26 February 2014 – Housing Revenue Account Medium Term Financial Plan 2014/15 to 2016/17 and 2014/15 Budget
- (c) Cabinet – 16 July 2014 - 2013/14 Final Outturn for General Fund, Housing Revenue Account and Collection Fund
- (d) Cabinet – 10 September 2014 - Forecast of Revenue and Capital Outturn 2014/15 for General Fund and Housing Revenue Account – Period to 30 June 2014

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Appendix 1: Implications

Finance -

The report details the 2014/15 forecast of outturn position for Revenue and Capital and details the forecast movement on Reserves.

Staffing -

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.

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 -

The outturn proposals contained within this report have been prepared in accordance with standard accounting policies and procedures

Appendix 2: Revenue Summary 2014/15

	Original Budget 2014/15	Revised Budget	Proposed Budget Revisions	Cash Limit Reserve	Contribution to / Use of Earmarked Reserves	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assistant Chief Executive	10,200	10,231	9	0	565	10,805	10,725	-80
Children and Adults Services	275,231	276,573	-1,298	0	-1,629	273,646	270,397	-3,249
Neighbourhood Services	109,765	114,515	-82	118	-177	114,374	113,554	-820
Regeneration and Economic Development	42,653	44,544	80	0	303	44,927	43,877	-1,050
Resources	14,447	14,943	353	57	225	15,578	14,456	-1,122
Cash Limit Position	452,296	460,806	-938	175	-713	459,330	453,009	-6,321
Contingencies	7,706	7,832	1,076		0	8,908	8,908	0
Corporate Costs	3,924	3,801	-138	0	0	3,663	3,625	-38
NET COST OF SERVICES	463,926	472,439	0	175	-713	471,901	465,542	-6,359
Capital charges	-50,474	-50,474				-50,474	-50,474	0
Interest and Investment income	-1,441	-1,441				-1,441	-1,689	-248
Interest payable and similar charges	38,444	38,291				38,291	33,791	-4,500
Net Expenditure	450,455	458,815	0	175	-713	458,277	447,170	-11,107
Funded By:								
Council tax	-168,844	-168,844				-168,844	-168,844	0
Council tax freeze grant	0	0				0	0	0
Use of earmarked reserves	-8,140	-15,978			7,713	-8,265	-8,265	0
Estimated net surplus on Collection Fund	0	0				0	0	0
Start up Funding Assessment	-250,409	-250,409				-250,409	-250,409	0
New Homes Bonus	-6,784	-6,784				-6,784	-6,783	1
New Homes Bonus - Re-imburement	-390	-390				-390	-381	9
Section 31 Grant - Small business rate relief	-2,194	-2,194				-2,194	-2,343	-149
Section 31 Grant - Settlement Funding Assessment Adj	-1,703	-1,703				-1,703	-1,084	619
Section 31 Grant - Retail Adjustment	-1,204	-1,204				-1,204	-1,215	-11
Education Services Grant	-7,237	-7,237				-7,237	-7,490	-253
Forecast contribution to/from Cash Limit Reserve	-2,617	-3,139		-175	-4,000	-7,314	-993	6,321
Forecast contribution to/from General Reserves	-933	-933			-3,000	-3,933	637	4,570
TOTAL	-0	-0	0	0	0	-0	-0	0

Appendix 3: Revenue Summary by Expenditure / Income for the period ended 31 March 2015

	Original Budget 2013/14	Revised Budget	Proposed Budget Revisions	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	£'000	£'000
Employees	483,046	491,453	241	491,694	491,054	0	0	-147	-1,204	489,703	-1,991	0
Premises	49,510	54,839	-274	54,565	55,132	0	0	0	0	55,132	567	0
Transport	46,657	46,223	117	46,340	45,727	0	0	0	-40	45,687	-653	0
Supplies & Services	114,270	119,606	1,423	121,029	126,924	1,785	-260	-33	-432	127,984	6,955	-24
Agency & Contracted	260,165	266,988	-933	266,055	265,339	3,907	130	0	-93	269,283	3,228	-14
Transfer Payments	206,771	206,718	-40	206,678	206,527	0	-130	0	-478	205,919	-759	0
Central Costs	94,797	79,392	600	79,992	85,067	0	0	0	2,015	87,082	7,090	0
DRF	0	0		0	0	0	0	0	0	0	0	0
Other	12,637	13,116	246	13,362	14,649	0	0	0	0	14,649	1,287	0
Capital Charges	50,474	50,474	0	50,474	50,474	0	0	0	0	50,474	0	0
GROSS EXPENDITURE	1,318,327	1,328,810	1,380	1,330,190	1,340,894	5,692	-260	-180	-232	1,345,914	15,724	-38
Income												
- Specific Grants	539,986	541,528	1,054	542,582	540,841	2,067	0	0	77	542,985	-403	0
- Other Grants & conts	25,830	28,867	392	29,259	30,594	0	-39	-5	-245	30,305	-1,046	0
- Sales	5,367	5,270	-284	4,986	5,147	0	0	0	0	5,147	-161	0
- Fees & charges	104,308	103,614	526	104,140	104,729	0	0	0	21	104,750	-610	0
- Rents	5,470	5,487	-42	5,445	5,778	0	0	0	0	5,778	-333	0
- Recharges	174,150	171,904	815	172,719	191,958	0	0	0	-745	191,213	-18,494	0
- Other	6,996	7,533	216	7,749	8,838	0	0	0	-53	8,785	-1,036	0
Total Income	862,107	864,203	2,677	866,880	887,885	2,067	-39	-5	-945	888,963	-22,083	0
NET EXPENDITURE	456,220	464,607	-1,297	463,310	453,009	3,625	-221	-175	713	456,951	-6,359	-38

Appendix 4: Earmarked Reserves Position as at 30 September 2014

	EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	2013/14 CLOSING BALANCE	USE OF RESERVES	CONTRIBUTION TO RESERVES	TRANSFERS BETWEEN RESERVES	TOTAL MOVEMENT ON RESERVES	2014/15 CLOSING BALANCE AS AT 30 SEPTEMBER 2014
			£,000	£,000	£,000	£,000	£,000	£,000
1	ACE AAP/Members Reserve	ACE	-3,276	478	0	0	478	-2,798
2	ACE Grant Reserve	ACE	-230	86	0	0	86	-144
3	ACE Operational Reserve	ACE	-132	8	0	0	8	-124
4	Social Care Reserve	CAS	-8,514	1,480	0	0	1,480	-7,034
5	Community Safety Reserve	CAS	-6	0	0	0	0	-6
6	Aycliffe Young People's Centre Reserve	CAS	-1,387	205	0	0	205	-1,182
7	Continuing Professional Development Reserve	CAS	-993	436	0	0	436	-557
8	Education Reserve	CAS	-987	34	0	0	34	-953
9	Tackling Troubled Families	CAS	-1,557	659	-117	0	542	-1,015
10	Special Projects Reserve	CAS	-60	23	0	0	23	-37
11	Public Health Reserve	CAS	-4,992	109	0	0	109	-4,883
12	Neighbourhoods AAP Reserve	NS	-38	38	0	0	38	0
13	Customer Services Reserve	NS	-387	387	0	0	387	0
14	Direct Services Reserve	NS	-3,675	1,120	-440	0	680	-2,995
15	Env. Health and Consumer Protection Reserve	NS	-516	306	0	0	306	-210
16	Culture and Sport Reserve	NS	-1,962	729	-75	0	654	-1,308
17	Strategic Waste Reserve	NS	-425	375	0	0	375	-50
18	Technical Services Reserve	NS	-1,619	254	0	0	254	-1,365
19	Transport Asset Management Programme Reserve	NS	-318	318	0	0	318	0
20	Business Growth Fund Reserve	RED	0	0	0	-913	-913	-913
21	Economic Development Reserve	RED	-1,401	353	0	0	353	-1,048
22	Planning Reserve	RED	-1,173	66	0	0	66	-1,107
23	North Pennines AONB Partnership Reserve	RED	-637	0	0	0	0	-637
24	Employability and Training Reserve	RED	-644	142	-180	0	-38	-682
25	RED Regeneration Reserve	RED	-1,628	36	0	713	749	-879
26	Housing Regeneration Reserve	RED	-61	0	0	0	0	-61
27	Housing Solutions Reserve	RED	-1,079	15	0	0	15	-1,064
28	Restructure Reserve	RED	-729	0	0	0	0	-729
29	LSVT Reserve	RED	-100	0	0	100	100	0
30	Transport Reserve	RED	-329	0	0	0	0	-329
31	Funding and Programmes Management Reserve	RED	-131	0	0	0	0	-131
32	Resources Corporate Reserve	Resources	-2,219	104	0	1,480	1,584	-635
33	Resources DWP Grant Reserve	Resources	-928	90	-166	0	-76	-1,004
34	Resources System Development Reserve	Resources	-1,291	540	0	0	540	-751
35	Resources Housing Benefit Subsidy Reserve	Resources	-2,198	0	-39	1,200	1,161	-1,037
36	Local Council Tax Support Scheme Reserve	Resources	-1,031	0	0	0	0	-1,031
37	Resources Land Search Fees Reserve	Resources	-1,000	0	0	0	0	-1,000
38	Resources Legal Expenses	Resources	-200	0	0	0	0	-200
39	Resources Elections Reserve	Resources	-1,036	136	0	0	136	-900
40	Resources ICT Reserves	Resources	-730	52	0	0	52	-678
41	Human Resources Reserve	Resources	0	0	-65	0	-65	-65
42	Cabinet Reserve	Corporate Fin	-220	0	0	220	220	0
43	Corporate Reserve - Demographic Pressures	Corporate Fin	-10,850	3,150	-7,000	0	-3,850	-14,700
44	Equal Pay Reserve	Corporate Fin	-17,405	3,685	-207	0	3,478	-13,927
45	Insurance Reserve	Corporate Fin	-13,057	0	0	0	0	-13,057
46	Performance Reward Grant Reserve	Corporate Fin	-1,308	168	0	0	168	-1,140
47	MTFP Redundancy and Early Retirement Reserve	Corporate Fin	-16,256	3,305	0	0	3,305	-12,951
48	Office Accommodation Reserve	Corporate Fin	-1,000	0	0	0	0	-1,000
49	Planned Delivery Programme (PDP) Reserve	Corporate Fin	0	0	-3,000	-7,000	-10,000	-10,000
50	Capital Expenditure Reserve	Corporate Fin	-2,797	0	0	0	0	-2,797
	Total Non-Schools Reserve		-112,512	18,887	-11,289	-4,200	3,398	-109,114
	Cash Limit Reserves							
51	Assistant Chief Executive		-1,005	250	-80	216	386	-619
52	Children and Adults Services		-12,029	1,879	-3,249	1,580	210	-11,819
53	Neighbourhood Services		-2,782	478	-820	22	-320	-3,102
54	Regeneration and Economic Development		-3,007	27	-1,050	1,186	163	-2,844
55	Resources		-3,563	480	-1,122	1,196	554	-3,009
	Total Cash Limit Reserves		-22,386	3,114	-6,321	4,200	993	-21,393
	Schools' Balances							
Sch 1	Schools' Revenue Balance	CAS	-24,684	4,867	0	0	4,867	-19,817
Sch 2	DSG Reserve	CAS	-6,367	0	0	0	0	-6,367
	Total Schools and DSG Reserve		-31,051	4,867	0	0	4,867	-26,184
	Total Earmarked Reserves		-165,949	26,868	-17,610	0	9,258	-156,691

Appendix 5: Forecasted Housing Revenue Account to 31 March 2015

	Annual Budget	Projected Outturn	Forecasted Variance
	£000	£000	£000
Income			
Dwelling Rents	-64,558	-64,792	-234
Non Dwelling Rents	-1,024	-1,019	5
Charges for Services and Facilities	-347	-347	0
Total Income	-65,929	-66,158	-229
Expenditure			
ALMO Management Fee and Outsourced Contract	16,799	16,799	0
Repairs and Maintenance	4,462	4,462	0
Supervision and Management - General	4,061	4,061	0
Supervision and Management - Special	436	436	0
Rents, Rates, Taxes and other Charges	410	410	0
Depreciation and Impairment of fixed assets	7,872	7,872	0
Increase/Decrease in bad debt provision	988	988	0
Debt Management Costs	175	175	0
Total Expenditure	35,203	35,203	0
Net cost of HRA services per Authority I&E Account	-30,726	-30,955	-229
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	-29,239	-29,468	-229
Interest Payable and Similar Charges	12,627	10,706	-1,921
Direct Revenue Financing [Balancing Item on HRA]	16,717	18,867	2,150
Interest and Investment Income	-105	-105	0
[Surplus] / Deficit for the year on HRA services	0	0	0